

Roberto ALIBONI

رعاية صاحب السمو الملكي الأمير الحسن المعظم  
مؤتمر: الأزمات في الشرق الأوسط: فلسطين والعراق  
١٠-١١ أيار ٢٠٠٠

**INSTITUTE OF DIPLOMACY**

*Under the Patronage of HRH Prince El hassan Bin Talal*  
*Conference on "Crises in the Middle East: Palestine and Iraq"*  
*10 -11 May, 2000*

iai ISTITUTO AFFARI  
INTERNAZIONALI - ROMA

n° inv. 20726  
17 MAG. 2000

BIBLIOTECA

هاتف ٨٦١٠٠٠ (٩٦٢-٦) فاكس ٨٦١٠٠٨ (٩٦٢-٦) تليكس ID JO ٢٤٤٦٤ ص ب ٨٥٠٧٤٦ عمان ١١١٨٥ الاردن  
Tel (962-6) 861000 Fax (962-6) 861008 Tlx 24464 ID JO P.O.Box 850746 Amman 11185 Jordan



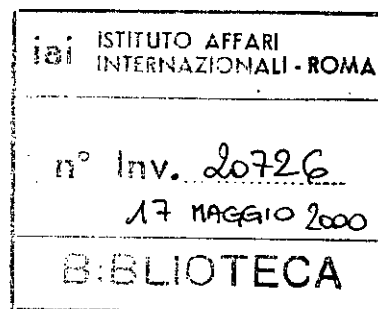
## CRISES IN THE MIDDLE EAST: PALESTINE AND IRAQ

Jordan Institute of Diplomacy

Friedrich-Ebert-Stiftung

Amman, 10-11/V/2000

- a. Programme
- b. List of participants
- 1. Opening speech by Kamel Abu Jaber (4p.)
- 2. "The EU and Palestinians"/ James Moran (11p.)
- 3. "A Palestinian perspective on the European role in the Middle East peace process"/ Manuel S. Hassassian (8p.)
- 4. "Iran and the missed regional role"/ Mohammed Jawad Ali (5p.)
- 5. "The United States, the Gulf, and the flaws of the rogue-state concept: a European view"/ Volker Perthes (5p.)
- 6. "Iraq and Iran: sanctions and double containment : a view from the European Union"/ Roberto Aliboni (7p.) (IAI0002)
- 7. "The future role of Iran"/ Rosemary Hollis (12p.)
- 8. "Iran's new order: domestic developments and foreign policy outcomes"/ Anoush Ehteshami (8p.)



3

**Conference**  
**Crises in the Middle East: Palestine and Iraq**  
**Amman, Radisson SAS Hotel**  
**10<sup>th</sup> – 11<sup>th</sup> May 2000**

**Day One: WEDNESDAY 10<sup>th</sup> May 2000**

**9:30 – 10:15      OPENING CEREMONY**

**-HRH Prince El Hassan Bin Talal**

-Mr. Manfred Haack-Director, Friedrich Ebert  
Stiftung-Amman

-Prof. Kamel Abu-Jaber-President, Jordan Institute of  
Diplomacy

**10:15 – 10:45      *Coffee Break***

**10:45 – 11:25      Session One:**

**Western Management of Crises in the Middle East**

**-View from the West**

Presenter: Prof. Friedemann Buettner -Free  
University of Berlin-Germany

**-View from the Region**

Presenter: HE. Mr. Mohsin AlAini -Former Prime  
Minister-Yemen

**11:25 – 12:25      *Discussion***

**12:25 – 12:55      Session Two:**

**European Union and the Palestinian Issue**

Presenter: HE. Mr. James Moran - Head, Delegation  
of European Commission-Amman.

**12:55 – 13:30      *Discussion***

**13:30 – 15:30      *Lunch***

**15:30 – 15:50      *Session Three:***

**European Union and the Palestinian Issue View  
from the Region**

*Presenter:* Dr. Manuel Hassasyan - Executive Vice  
President - Bethlehem University

**15:50 – 16:50      *Plenary Discussion***

**19:00                *Reception***

***Day Two: THURSDAY, 11<sup>th</sup> May 2000***

**10:00 – 10:30      *Session Four:***

**European Union and the Gulf**

**-European View**

*Presenter:* Mr. Christoph Moosbauer - Member of the  
Parliamentarian Group-SPD- Germany

**-View from the Region**

*Presenter:* -Professor Mohammed Ali Jawad -  
Director, International Studies Center-  
University of Baghdad - Iraq

**10:30 - 11:30      *Discussion***

**11:30 – 11:45      *Coffee Break***

**11:45 – 12:20      *Session Five:***

**US and the Gulf**

**-European Union view**

*Presenter :* Dr. Volker Perthes - Head of Middle  
East/Mediterranean Programme/Stiftung Wissenschaft  
und Politik - Berlin

**-View from the Region**

Presenter: Dr. Abdel Mune'm Sai'd - Director, Center for Political and Strategic Studies, Al-Ahram - Egypt

**12:20 – 13:20      Discussion**

**13:20 – 15:00      Lunch**

**15:00 – 15:40      Session Six:**

**Iraq and Iran : Sanctions and Double Containment**

**-European Union View**

Presenter: Prof. Roberto Aliboni –Director of Studies  
- Istituto Affari Internazionali - Italy

**-Arab View**

Presenter: Prof. Wamid Nathmi - University of  
Baghdad -Iraq

**15:40 – 16:40      Discussion**

**16:40 – 17:30      Session Seven:**

**Future Role of Iran**

**-German View**

Presenter: Prof. Udo Steinbach -Deutch Orient  
Institute - Germany

**-British View**

Presenter: Dr. Rosemary Hollis - Head, Middle East  
Programme -Chatham House -Royal  
Institute of International Affairs - UK

**-Iraqi View**

Presenter: -Professor Zafer Nazem Salman-  
Faculty of Political Science - University  
of Baghdad - Iraq



**-Iranian View**

Presenter: -Prof. Anoush Ehteshami - Center for  
Middle Eastern and Islamic Studies,  
Durham University- UK

**17:30 – 18:30      Discussion**

**18:30 – 18:45      Coffee Break**

**18:45 – 19:30      Roundtable Discussion:**

**The Future**

Presenter:

-HE. Mr. Khair Al Din Hassib - Director  
General, Center for Arab Unity Studies -  
Lebanon

-Prof. Wamid Nathmi - University of  
Baghdad - Iraq

-Dr. Abdul Mune'm Said- Director, Center for  
Political and Strategic Studies, Al-Ahram -  
Egypt

-Mr. Ruediger Sielaff - Friedrich Ebert  
Foundation - Bonn

-Professor Mohammad Al-Sayed Selim  
Director, Center of Asian Studies  
Cairo University-Egypt

**END OF CONFERENCE**

iai ISTITUTO AFFARI  
INTERNAZIONALI - ROMA

n° inv. 20726  
17 MAG. 2000

BIBLIOTECA

# "Crises in the Middle East : Palestine and Iraq"

Amman, 10<sup>th</sup> – 11<sup>th</sup> May 2000

Radisson SAS Hotel

#	Name	Profession	Organization	Tel. #	Fax #	e-mail	Country	POBox
1	HE. Mr Nayef Al-Kadi	Minister	Ministry of Interior	5691141			Jordan	
2	HE. Mr. Salah Abu Zeid			5667576	5669663		Jordan	
3	Prof. Kamel Abu Jaber	President	Jordan Institute of Diplomacy	5934400	5934408	Abujaber@id.gov.jo	Jordan	Jordan
4	Mr. Tamer A. Adel	Second Secretary	Embassy of the Arab Republic of Egypt	5605202 560517	5604082		Jordan	
4	Prof. Roberto Aliboni	Director of studies	Instituto Affari Internazionali		003963224363	lai@iai.it	Rome, Italy	Instituto Affari Internazionali i via Angelo Brunetti 9- 00186 Rome
5	HE. Mr. Mohsin AlAini	Former Prime Minister	Former Prime Minister	009671241951	009671263653 Cairo telefax : 002025702423		Yemen	POBox 7292, Sana', Yemen
6	Mrs. Hind Abdel Jaber	President	Jordan Development Center	5534250 5536714	5536714	Jaber@index.com.jo	Jordan	POBox 926550
7	Mr. Hassan Anbari		Jordan Institute of Diplomacy	5934400	5934408		Jordan	Jordan

8	Ms. Christine Arab	Information Officer	UNIFEM WARO				Jordan	
9	Dr. Hani Akhu Rashida			026206210			Mafrag-Rahab, Jordan	
10	Prof. Adnan Badran	President	Philadelphia University	026374374	026374440	<a href="mailto:Philad@go.com.jo">Philad@go.com.jo</a>	Jordan	POBox 19392
11	Dr. Ibrahim Badran	Assistant President For International Relation	Philadelphia University	63744444 5698406	6374440 5695567	<a href="mailto:Philad@go.com.jo">Philad@go.com.jo</a>	Jordan	POBox 1101 Amman 11910
12	Dr. Sima Bahous	Executive Director	The Noor Al Hussein Foundation	5607460	5606994	<a href="mailto:Nhlf@nic.net.jo">Nhlf@nic.net.jo</a>	Jordan	POBox 926687 Amman 11110
13	HE. Mrs. Nancy Bakir		Prime Ministry	4641211	4642520		Jordan	
14	Dr. Murad Beno	Executive Director	Inter-Islamic Network on Water Resources Development and Management-INWRDAM	5332993	5332969	<a href="mailto:lnwrdam@nic.net.jo">lnwrdam@nic.net.jo</a>	Jordan	POBox 1460 PC 11941 Jubeiha
15	Prof. Friedemann Buettner	Professor of Political Science	Department of Political Science-Middle Eastern Studies Section-Free University-Berlin	493083856640 direct-56636 home : 493082705460	493083856637	<a href="mailto:Fbus@zedat.fu-berlin.de">Fbus@zedat.fu-berlin.de</a>	Berlin, Germany	Department of Political Science- Middle Eastern Studies Section-Free University- Berlin
16	Dr. Matthes Buhbe	Director	Friedrich Ebert Foundation				Jerusalem	
17	HE. Mr. Dario Carminati	Representative of UNHCR	UNHCR	5691262/3	5691915	<a href="mailto:Carminat@unhcr.ch">Carminat@unhcr.ch</a>	Jordan	
18	HE. Mr. Pascal Cuttat	Head of Delegation, International Committee of the Red Cross	Red Cross	5688645	5688649	<a href="mailto:Pcuttat.amm@icrc.org">Pcuttat.amm@icrc.org</a>	Jordan	

19	Mr. Farouk Daragmeh	Retired Major General					Jordan	
20	HE. Mr. Marwan Dudin	Senator	Upper House of Parliament	5677489	5675832		Jordan	POBox 9936
21	Prof. Anoush Ehteshami	Senior Lecturer in the Middle East Politics	Center for Middle Eastern and Islamic Studies, Durham	01913742822	01913742830	<a href="mailto:Barbara.minto@durham.ac.uk">Barbara.minto@durham.ac.uk</a>	UK	Center for Middle Eastern and Islamic Studies, University of Durham
22	Prof. Humam Ghassib		Arab Thought Forum & Majles El Hassan	5678707 5678708	5675325	<a href="mailto:Hghassib@nic.net.jo">Hghassib@nic.net.jo</a>	Jordan	
23	Dr. Mazen Gharaibeh	Dean of Higher Studies and Training	Jordan Institute of Diplomacy	5934400	5934408		Jordan	Jordan
24	Mr. Sami Ghosheh		Ministry of Foreign Affairs	4644361 079-566836	4644673		Jordan	
25	Mr. Manfred Haack	Director	Friedrich Ebert Foundation	5680810	5696478	<a href="mailto:Fes@nets.com.jo">Fes@nets.com.jo</a>	Jordan	
26	Prof. Muwafaq Hadadin	General Manager	Arab Company for Drug Industries and Medical Appliances - ACDIMA	5821618	5821649	<a href="mailto:Acidima@go.com.jo">Acidima@go.com.jo</a>	Jordan	POBox 925161 Amman 11110
27	Brigadier General Musa Hadid	Director of Military Training	Jordanian Armed Forces				Jordan	
28	Mr. Kamal Hasa			5411234		<a href="mailto:Tkh@nets.com.jo">Tkh@nets.com.jo</a>	Jordan	POBox 1266 Amman 11821

29	Dr. Manuel Hassassyan	Political Science Department	Bethlehem University	97022741241	97022744440	Mhassass@bethleh em.edu	Palestine	
30	HE. Dr. Khair Al-Din Haseeb	Director General	Center for Arab Unity Studies	009611865548 009611740631	009611865548	Info@caus.org.lb	Beirut, Lebanon	Sadat Tower Building, Lebanon Street, Hamra, POB 113-6001, Beirut
31	Dr. Rosemary Hollis	Head of Middle East Programme	Chatham House, Royal Institute of International Affairs, London	442079575714	442079575710	Rhollis@ria.org	UK	Chatham House 10 St. James's Square, London SW1Y 4LE
32	Mrs. Selwa El-Husari						Jordan	
33	Prof. George Jabbour	Prof.	Former Presidential Adviser				Syria	Syria
34	Prof. Mohammed Ali Jawad	Assistant Professor, Head of the International Studies Center	International Studies Center University of Baghdad	096417766489 096417765635 096417765221 096417764204	096417763592 96415429055		Iraq	University of Baghdad
35	Prof. Marwan Kamal	President	Arab Universities Union				Jordan	
36	Dr. Musa Keilani			5689555, 5624655	5624707	Keilani@nets.com.jo	Jordan	POBox 815414
37	Dr. Ghaleb A. Al-Khaldi		Political Science Department Muta University	4617860 ext. 4285 079 590004	4654061		Jordan	
38	Dr. Ahmad Khalaileh	General Manager	Future Center For Strategic Studies	5336197	5336198	Shaker81@go.com.jo	Jordan	POBox 1587 Amman 11941
39	Mr. Ralph Kohlen		Embassy of the Federal Republic of Germany				Jordan	
40	Mrs. Subhie Maani	Senator	Upper House of Parliament	5688206	5601345	Arabco@maani-group.com.jo	Jordan	POBox 926774 Amman 1110

41	Mr. Abu Malek Al Marhibi		Friedrich Ebert Foundation				Yemen	
42	Brigadier General Naser Majali	Director of Royal Engineer Corps	Jordanian Armed Forces				Jordan	
43	Mr.Christoph Moosbauer	Member of the Parliamentarian Group-SPD	SPD				Germany	
44	HE.Mr. James Moran	Head, Delegation of European Commission to Jordan	Delegation of European Commission to Jordan	5668191 5668192	5686746	<a href="mailto:Eudeljor@go.com.jo">Eudeljor@go.com.jo</a>	Jordan	POBox 926794 Amman 111110
45	Prof. Wamid Nathmi	Prof. Of Political Science	Baghdad University	96417766489 9644431402	96417763592 964433581		Iraq	PoBox 4157 Al-Athamia, Baghdad
46	Mrs. Mahboubah Sadqi Nia	Researcher in geopolitic issues	Embassy of the Islamic Republic of Iran	4641281	4641383		Jordan	
47	Dr. Ahmad Noufal		Yarmouk University				Jordan	
48	Dr. Yousef Nseir	President	National Information Center	5337184	5337168	<a href="mailto:Info@nic.gov.jo">Info@nic.gov.jo</a>	Jordan	POBox 11941
49	Major General Mahmoud Omari	Assistant Chief of Staff for Operations and Training	Jordanian Armed Forces				Jordan	
50	Dr. Volker Perthes		Stiftung Wissenschaft Und Politik (SWP), Research Institute for International Affairs	49304309590 direct43095916 1728954689	493043095928	<a href="mailto:Perthes@swp.external.lrz-muenchen.de">Perthes@swp.external.lrz-muenchen.de</a>	Germany	D-13505 Berlin, Reiherwerder, Schwarzer Weg
51	Mr. Neil Quilliam		United Nations University-ILA c/o University of Jordan	5337075	5337068	<a href="mailto:Nqila@ju.edu.jo">Nqila@ju.edu.jo</a>	Jordan	
52	HE. Mrs. Naela Rashdan	Lawyer		4614500 079544388	4643250			
53	Mrs. Aishah Razim						Jordan	
54	Brigadier General Nawaf Rasasi	Commander of the Military Works Group	Jordanian Armed Forces				Jordan	

55	Dr. Abdel Mune'm Sa'id	Director	Center for Strategic Studies- Al-Ahram	2025786037	2025786037		Egypt	
56	Prof. Zafer Nazem Salman		University of Baghdad		96415429055		Iraq	University of Baghdad
57	Prof. Mahmoud Samra	President	University of Petra	5715546 5715549	5715570 5715561	<a href="mailto:President@uop.edu.jo">President@uop.edu.jo</a>	Jordan	POBox 961343 Amman
58	HE. Dr. Martin Schneller	Ambassador	Embassy of the Federal Republic of Germany		5832887		Jordan	
59	Prof. Mohammed Al- Sayed Selim	Director	Center for Asian Studies- Faculty of Economics & Political Science - Cairo University	5692735 /5728055 3305274	5602735	<a href="mailto:Mohammedselim@hotmail.com">Mohammedselim@hotmail.com</a>	Egypt	Faculty of Economics and Political Science- Cairo University Giza-Egypt
60	HE. Mrs. Leila Sharaf	Senator	Upper House of Parliament				Jordan	
61	General Mohammed Shiyyab			079544330	5337302	<a href="mailto:Shiyyab@mars.rss.gov.jo">Shiyyab@mars.rss.gov.jo</a>	Jordan	
62	Mr. Ruediger Sielaff		Friedrich Ebert Foundation			<a href="mailto:ruediger.sielaff@fes.de">ruediger.sielaff@fes.de</a>	Germany	
63	Dr. Mohammed Smadi	Director	Amman Chambre of Industry				Jordan	
64	Prof. Udo Steinbach	Director	Deutch Orient Institute	0049-40-13205- 0	0049-40- 441484	<a href="mailto:doiuh@uni-hamburg.de">doiuh@uni-hamburg.de</a>	Germany	
65	Dr. Rateb Sweis	Assistant Dean of Higher Studies and Training	Jordan Institute of Diplomacy	5934400	5934408	<a href="mailto:Rsweis@id.gov.jo">Rsweis@id.gov.jo</a>	Jordan	
66	Ms. Asal Tal		Ministry of Foreign Affairs	4644361	4644673	<a href="mailto:Asaljo@yahoo.com">Asaljo@yahoo.com</a>	Jordan	
67	Mr. Salem Turk	General Manager, president of the Executive Board	Economic and Social Association of Retired Servicemen & Ventures ESARS, V	4202125 4200701	4201740	<a href="mailto:Esarsv@nic.net.jo">Esarsv@nic.net.jo</a>	Jordan	POBox 314 Al- Mgabalain



68	Mr. Ashraf M. Zeitoon	Membership Development officer	Young Entrepreneurs Association (YEA)	. 593 3708 or 593 1145	592 1374	<a href="mailto:azeitoon@hotmail.com">azeitoon@hotmail.com</a> <a href="mailto:yea@nol.com.jo">yea@nol.com.jo</a>	Jordan	
69	Mr. Saleh Zu'bi	Director	International Affairs Society				Jordan	

iai ISTITUTO AFFARI  
INTERNAZIONALI - ROMA

n° Inv. 20726  
17 MAG. 2000

BIBLIOTECA

**FRIEDRICH  
EBERT  
STIFTUNG**



**Conference**  
**Crises in the Middle East : Palestine and Iraq**  
**Amman, Radisson SAS Hotel**  
**10<sup>th</sup> – 11<sup>th</sup> May 2000**

**Opening Speech**  
**By**  
**Prof. Kamel Abu Jaber**  
**President**  
**The Jordan Institute of Diplomacy**

Speech to the Conference: "Crises in the Middle East: Palestine and Iraq"

Per capita we have more prophets and would-be prophets, ideological and otherwise and more crises and would-be crises, violent and otherwise than any other region in the world.

Here, the hatreds and prejudices are sometimes as old as time itself. Ideas remain. Once an idea is planted it continues to find adherents who cling to it and pass it on from generation to generation.

Indeed, listening to some of our Middle East peoples, one would think they had dinner last night with the Patriarch Ibrahim or with one or another of the ancient prophets.

It is the entrenched ideological mentalities that continue to pollute the atmosphere attempting to fashion life to fit the ideology rather than the other way around. And it is in such an atmosphere that violence becomes ennobled and raised to the lofty heights of principle for which one martyrs himself.

How do you change this culture to that of a culture of peace?

The challenge as you see is a tremendous one requiring massive efforts, reeducation, and self-discipline.

For us in Jordan situated next to Israel with its massive arsenal of nuclear, biological, and chemical weapons, in addition to means of delivery as well as conventional weapons, the problem is not an academic one. It is indeed a matter of life or death. The Israeli-Palestinian peace is still in the danger zone with the dark cloud of pessimism refusing to dissipate. From 1991 when the Madrid peace process commenced five Israeli Prime Ministers have assumed office: Shamir, Rabin, Peres, Netanyahu, and now Barak. The faces and styles have changed yet the attitudes remain strictly security minded. Israel does not seem to recognize that it is not

the only party in the region that is traumatized. The Palestinian, indeed Jordanian and Arab trauma is just as real and painful; though the causes are different. Complicating the situation is the fact that the international input remains not only uneven but hesitant, even reluctant too.

On the other side of Jordan is yet the second most important Western interest, Oil. Oil, the blessing and the curse of the Arabs at the same time with Iraq and the Gulf beyond hosts to its major reservoirs.

Between these two Western interests Jordan finds itself attempting at all times to balance an unbalanced situation and to continue to pay the price. The continued situation, indeed the siege imposed on Iraq overflows in its negative effects on Jordan. The ill effects are not only human with almost one half a million Iraqi refugees in the country but also economic and political. It should be remembered that Jordan's economy before the second Gulf War was intertwined with that of Iraq. Just as importantly is the ill effect of the political overflow of the sanctions which keep the area electrified in a crisis atmosphere. The human tragedy within Iraq, the impoverishment of an entire civilian population, the suffering and death of children as reported by World Health Organization and other international and independent organizations constitute a challenge to human civilization.

Maintaining the situation tottering on the Palestinian and the Iraqi scenes is the sure recipe for the crises to maintain their intractability. Both crises seem -only seem-, to be contained for the moment. Yet both have the potential of further violence. The rejectionist forces of the peace process are lying dormant for the moment in the hope that Israeli vacillation and intransigence would eventually cause the whole process to collapse while on the Iraqi horizon no solution seems to be looming.

It is thus that the area remains on the brink of disaster with its populations suffering from the continued uncertainty. How can stability be achieved? The presentations by our distinguished scholars and guests are designed to raise questions and air the major issues. Of necessity there will be different visions, sometimes clashing, regarding the same crisis. Of necessity also, the presentations will discuss the role of the powers, especially the West and most especially the United States.

It is our hope that the different views of the crises and the role of the actors will lead to a healthy discussion and attempt to explore possible solutions and alternative scenarios. As scholars our discussions while frank and open should not be designed to register points against each other or to win an argument, but to prepare the proper intellectual atmosphere for a broader public debate.

I am aware that we are debating ongoing, seemingly intractable conflicts and crises and that the passions and emotions are sometimes powerful. And while emotions are human and often noble there needs to be an attempt to listen to each other. This requires that in addition to sight there should be vision. Vision to explore beyond the surface and delve deeply into what kind of compromises need to be made to allow for mutual coexistence: Coexistence that hopefully may address at least the minimum requirements of the parties on both sides of the divide.

When discussing these two particular crises within the Middle East region, the role of Iran needs to be explored. It is only time limitation that prevents a discussion of the role of Turkey, definitely a most important regional actor. It is our hope to do so in the next conference.

Jordan, under the leadership of HM King Abdullah II is attempting to infuse a sense of rationality, humanism, and legality into these two crises.

Since assuming office he has spent most of his time and effort in that direction.

Please allow me once again to thank you for your participation and to give special thanks and appreciation to HRH Prince El-Hassan Bin Talal for his patronage.

iai ISTITUTO AFFARI  
INTERNAZIONALI - ROMA

n° Inv. 20726

17 MAG. 2000

BIBLIOTECA



**FRIEDRICH  
EBERT  
STIFTUNG**



**Conference  
Crises in the Middle East : Palestine and Iraq  
Amman, Radisson SAS Hotel  
10<sup>th</sup> - 11<sup>th</sup> May 2000**

**"The EU and the Palestinians"  
By  
HE. Mr. James Moran  
Head of the European Commission Delegation in Amman**

## **'The EU and the Palestinians'**

**Presentation by James Moran, Head of the European Commission Delegation in Amman, to the Jordan Institute of Diplomacy Seminar**

**"Crises in the Middle East : Palestine and Iraq"**

**10<sup>th</sup> May 2000**

Dr Abu Jaber,

First let me thank the JID for organising this session and for inviting me here today. The event comes at an especially important and testing time for the Peace Process, where all parties, including international supporters like the EU will be called upon to step up their already considerable efforts in the critical months to come. Effort is fine, but it must be fuelled by ideas, and one would hope that seminars such as this can help to generate them.

Europe and Palestine share a long, rich and sometimes controversial history and it is often difficult to know where to start. Happily for me, I am called to focus on the EU, which as you may know was just 50 years old yesterday. That means that, while we must always keep the historical backdrop in mind, I can avoid any mention of Crusaders, Sykes, Piquot, Balfour, Versailles et al and jump to more recent times.

At a time when the EU's position on, and contribution to the peace process and the Palestinians has been subject to some rather ill-informed speculation, it is important at the outset to briefly recall the **policy framework** that drives our actions before moving on to a discussion of how we are working with the Palestinians and others to advance the peace process, and its handmaiden, economic development.

For our purposes today, we can date that framework from 1980, when the European Community of nine (as it then was) issued the Venice declaration, which supported the principle of Palestinian self-determination and called for an international peace conference on the basis of UNSC resolutions 242 and 338, enshrining the principle of land for peace. When, eleven years later, such a conference came to pass in Madrid, under the sponsorship of the US and the then Soviet Union, the EC endorsed the Madrid structure and we have since played a role consistent with our well-established principles on the MEPP.

We have repeatedly reaffirmed our political commitment to the Peace Process throughout the nineties, from support to the Oslo framework and the Wye and Sharm el Sheikh agreements to the March 1999 Berlin declaration, which I shall return to in a moment.

The EU has, since Madrid, where we were invited as a normal participant, gradually expanded its political role in the peace process as part of the nascent Common Foreign and Security Policy, which was established under the Maastricht treaty in 1992, and strengthened by the Amsterdam treaty two years ago.

Joint action under the CFSP by the Member States and the EU Institutions on the Middle East has been intensive: this is because we enjoy a deep and longstanding political consensus on the region, based on a common perception that a comprehensive, just and lasting settlement to the conflict is very much in the interest of all, not least Europe itself, which shares our common Euro-Mediterranean space.

Such actions have included, among others, the EU's major involvement in the Palestinian elections, where we assisted with preparations and coordinated international observation, and the establishment of a training programme in counter-terrorism for Palestinian Authority security officers.

Joint action also led to the appointment in 1996 of Ambassador Miguel Moratinos as the EU Special Envoy to the MEPP. His mandate is to assist the parties in their contacts as well as in negotiation if and when requested. He also monitors violations by either party of existing agreements which might prejudice the outcome of permanent status talks. Ambassador Moratinos has since his appointment worked tirelessly with all relevant regional and international players and has made many significant contributions to facilitating the peace process.

Our growing political role has, and continues to be based on a consistent set of principles. Here, let me stress the main provisions of the Berlin declaration last year, which continue to guide our approach. This affirmed "the continuing Palestinian right to self-determination, including the option of a state" and that "the creation of a democratic viable and peaceful sovereign Palestinian State on the basis of existing agreements and through negotiations would be the best guarantee of Israel's security". We also declared "our readiness to consider recognition of a Palestinian State ... in accordance with (these) basic principles".

So far as recent developments are concerned, we have lauded the Palestinians and Israel for the decision to resume talks, which got underway again this week, and as ever we stand ready to assist the parties if asked. We continue to believe that reaching agreement on the Framework and Comprehensive Agreements (FAPS and CAPS) in the timeframe foreseen is possible, provided that the parties remain committed to a just and lasting peace.

I am well aware that many of our friends and partners in the region, including Jordan and the Palestinians would like to see the EU play a greater 'political' role. This is in fact exactly what we have been doing in recent years, complementing that of other partners, notably the US. Moreover, it is not helpful to artificially separate the 'political' from the 'economic'. One cannot progress without the other, and I would like now to move on to a discussion of our leading role in financial and economic support for the region, the peace process in general and the Palestinians in particular.

First, a word on the **Multilateral track of the peace process** :

Always conscious of the importance of regional integration in the service of peace, the European Union has played a crucial part in the multilateral track since its establishment

following the Madrid conference. It chairs the Regional Economic Development Working Group (REDWG), participates in the Arms Control Working Group and co-organises activities on all other three working groups : water, environment and refugees. A large number of multilateral activities have taken place, many with EU financing. Some examples :

- water : studies on the Jordanian-Israeli water projects (dams, conveyance and storage) the water data bank, participation in the Middle East Desalination Research Centre in Oman and the Water Conference for Sustainable Growth.
- transport : studies on traffic connections, roads and railways.
- electricity : the design and studies for interconnection of electricity grids.
- veterinary co-operation.
- finally, the establishment of the permanent secretariat of the Monitoring Committee of the REDWG here in Amman and other minor regional planning projects, such as the TEAM studies for development in Aqaba/Tabah/Eilat area.

Despite the freeze on multilateral activity that set in after 1996, we continued to work behind the scenes in the hope that political conditions would improve. Funding for various studies and the REDWG secretariat continued, and this undoubtedly helped to forge the constructive spirit shown in Moscow earlier this year when the parties meeting as a Steering Group for the first time since 1995 decided to attempt a relaunch. We continue to place great store by the relaunch and hope that it will go ahead later this year. We are thus maintaining our political and financial commitments. The EU is also scheduled to host the next Steering Group meeting, due this July.

### **The Euro-Mediterranean Partnership**

Before discussing our actions with the Palestinians, I want to briefly recall the principles of the Euro-Mediterranean Partnership launched in Barcelona in 1995 by the 15 EU Member States and the 12 Mediterranean partners (including the Palestinians). The Barcelona process, as it has come to be known underlies much of our support to the Palestinians and while it is not the only axis of the EU's external policy in the Mediterranean, it is the most important. It is separate from, but complementary to the peace process, and it is the only forum anywhere where all regional partners have consistently worked together over the last five years, even during difficult periods in the MEPP.

The Partnership provides a global framework for relations covering all aspects of mutual interest and is organised into three chapters :

- **The political and security dimension** : the overall objective is the progressive establishment in the region of an area of peace and stability. To this end a political dialogue is envisaged as well as the adoption of a Charter for Peace and Stability, on which work is now well advanced. The dialogue is based in particular on the respect of human rights and includes security aspects.

- **The economic and financial dimension** : the overarching objective set by the Barcelona Declaration is the creation of an area of shared prosperity through the progressive establishment of a Euro-Mediterranean free trade area and EU financial support to the partners.
- **The social and cultural dimension** : partners aim at closer relations and better understanding between their peoples including the improvement of mutual perceptions. The role of civil society is given prominence and co-operation is underway a broad range of other fields such as culture, youth and the fight against organised crime.

The Partnership aims to ensure that there is a balance between the chapters which takes account of the interdependent nature of the challenges facing the region.

In terms of implementation, the Partnership is structured at two complementary levels, the regional and the bilateral. Regional co-operation flows from the Barcelona Process and Work Programme which were established at the Barcelona Conference. Bilateral co-operation involves the EU and each individual Mediterranean partner.

Bilateral co-operation is built upon Association or Co-operation Agreements with each partner<sup>1</sup>. The Association Agreements establish closer relations between the EU and the Mediterranean Partners in line with the Barcelona Declaration and provide for :

- the creation of a free trade area with the EU over the coming decade,
- increasing investment flows into the MED partner countries,
- fostering intraregional co-operation,
- establishing institutional mechanisms for political and economic dialogue,
- financial co-operation through the MEDA programme in support of structural reform,
- co-operation in a wide range of other economic, social and cultural fields.

The interim Association Agreement with the Palestinians was signed in 1997. There are however special difficulties with the implementation of some of the provisions, which I will come to later. Four other partners, including of course Jordan and Israel, have signed these agreements and negotiations are underway or complete with three more.

Thus, the creation of a free trade area between the EU and the Mediterranean partners is at the heart of the Partnership. Free trade is expected to generate significant long-term economic benefits as the growth potential of each Partner is fully exploited due to increased foreign investment and efficiency improvements (in particular through reallocation of resources). However, it may also involve transitional costs such as unemployment caused by industrial restructuring and pressure on the balance of payments.

---

<sup>1</sup> The Association Agreements with Cyprus, Malta and Turkey aim at establishing a Customs Union, an objective already reached with Turkey and largely with Cyprus. These three countries are candidates for accession to the European Union.

## The MEDA Programme

The MEDA Programme is the main component of the Euro-Mediterranean Partnership's financial co-operation and has progressively replaced the previous financial instruments, mainly the Financial Protocols. Its purpose is to contribute to the process of structural reform in the Mediterranean Partner countries and to this end it finances four main types of programmes (the proportion of MEDA commitments used for each type for the period 1995-99 is indicated in brackets) :

- structural reform programmes (9 %) consisting of budgetary support to the Partners tied to various sets of reform conditionalities,
- economic transition and private sector development (39 %) including support for privatisation, financial sector reform, business centres and risk capital,
- strengthening the socio-economic balance (42 %) through health, education, rural development and environmental programmes,
- regional programmes (10 %) in all three fields of the Euro-Mediterranean Partnership, political, economic and social.

MEDA is mainly made up of grants managed by the European Commission, but also includes risk capital and interest subsidies through the European Investment Bank. Some 90 % of the resources allocated under MEDA are channelled bilaterally to the partners (this relates to Algeria, Egypt, Jordan, Lebanon, Morocco, Syria, Tunisia, Turkey and the Palestinian Authority). The other 10 % of the resources are devoted to the regional programme, the activities of which all the partners are eligible to benefit from.

There is little question that MEDA I, which is now virtually completed, has made a major contribution to development in the region; at the same time, valuable lessons have been learned for the future.

Five years on, it is clear that we have made real progress :

- As I said the Barcelona Process is the only forum where Ministerial meetings involving all 27 partners have taken place even during difficult periods in the Middle East Peace Process.
- Mediterranean imports from Europe now amount to more than 30 Billion Euro, or some 47 % of the total volume of imports. On the export side, the figure is even higher : more than 63 bn of Mediterranean exports are to the EU, amounting to some 52 % of the total.
- Over the last five years the EU has provided over 4.4 Billion Euro to the Mediterranean region, while the European Investment Bank has extended loans of over 4.6 bn. Europe is, by far, the largest donor of non-military aid in the region.
- Finally, the Barcelona chapter on culture and civil society has led to some of the most rewarding co-operation initiatives along the entire Mediterranean shore : protection of cultural heritage, cultural dialogue, co-operation in the audiovisual field, youth projects, information society and many other initiatives for civil society.

Details of MEDA II, which will support the partnership from 2000-2006 are expected to be announced later this year.

### **Cooperation with the Palestinians**

Let me now look at our assistance programmes in the Palestinian territories and the region.

I think most people in the region are aware that the EU as a whole is the most significant international donor in the field. What is not so well known is the actual size, absolute and relative, of that commitment, and the coverage that is involved. Of course, the Palestinians are, by any measure, a very special case, but it is worth noting that, as a donor we fund activities of a nature and to a degree there that would probably not be possible anywhere else.

A quick look at the overall size : in fact, the total assistance for 1994-99 through the EU budget amounted to some 1.07 Billion Euro. This includes support in the territories, mostly through the PNA, of 744 Million Euro<sup>2</sup> (72 % grant) and full grants of 273 Million to UNRWA and 54 Million for regional projects. Indeed, the volume of assistance provided has exceeded the five-year pledge we made at the 1993 Washington donor conference, held following the signature of the Declaration of Principles. The EU was in fact the only donor to fully deliver on its 1993 commitment. That pledge was renewed for a further five years in 1999.

When this is added to the substantial contributions made by the individual EU Member States under their bilateral programmes, the EU total represents well over half of all international assistance to the Palestinians. In per capita terms, the Palestinians are perhaps the most significant beneficiary of EU aid in the world, receiving over 10 times per head more than the average for the other MED partners and Africa.

Size may matter, but what of the nature and quality of this cooperation? How much has it contributed to the welfare of the Palestinian people and to the development of their institutions? And what more needs to be done?

Let me first look at the Association Agreement : I should say that this accord is a good example of what I said earlier about the link between the political and the economic : the fact that we signed it with the Palestinians sent an important message, in that it signaled our support for Palestinian autonomy. In substance, its main aim is to facilitate both bilateral Euro-Palestinian trade and, by virtue of cumulation of origin, intra-regional commerce.

Cumulation of origin is particularly important for future investment and trade, and, if and when it is agreed could provide a considerable boost to development not only in the

---

<sup>2</sup> Details are attached at Annex I

Palestinian territories but for the sub-region, including Jordan, which, as a 'natural' trading partner could be a major beneficiary of such arrangements.

We for our part will be giving priority in future to facilitating agreements in this field, although the matter is first and foremost in the hands of the parties.

In the long term, this process will give the Palestinians the opportunity to diversify their economic links away from the current dependence on Israel, thereby making their economy less vulnerable to external shocks.

However, implementation of the AA is constrained for the moment by the restrictions imposed on the Palestinian market and trade. Here in Jordan, everyone is well aware of the problems caused by the 'back-to-back' system of delivery, for example.

At the same time, Israel has yet to officially recognise the EU-Palestinian Agreement, and has in the past argued that Israel and the Palestinian areas constitute a single 'customs envelope'. This position reflects both political and commercial considerations of course.

So far as the European Commission is concerned, we are concerned to ensure that the building of the Euro-Mediterranean free trade area is achieved fairly and in full respect of all Agreements signed with our partners.

An effective Association Agreement and the freer trade that it implies is in our view an essential factor in achieving durable improvements in the Palestinian economy, and until and unless implementation can proceed smoothly, we will be hampered in our efforts to support long term development.

However, it is to be hoped that all parties will, as soon as possible, subscribe to the view that freeing up trade is in the interests not only of economic development but also of longer term security and stability.

That said, what are the priorities for EU Cooperation programmes with the Palestinians, and how successful have they been?

EC Assistance to the Palestinians began in 1971, when the first contribution was made to the regular budget of the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA). This assistance continues to this day, with triennial conventions between the EU/EC and UNRWA in its fields of operation. The present convention runs to 2001.

In addition to this, some specific UNRWA projects are supported by the EU, particularly in food and humanitarian aid, and many NGO development activities in the Palestinian camps around the region are supported by us. Here in Jordan, for example, over 30 such projects have been funded in the camp areas since 1994.



While the Israeli occupation of the West Bank and Gaza Strip from 1967 had the effect of providing access to relatively well paid jobs in the Israeli agriculture, construction and service sector, the negative economic effects of the occupation were serious, and our assistance programme had to operate in a particularly difficult environment, during the 1970's and 80's.

Nevertheless, the programme succeeded in bolstering a network of scattered Palestinian institutions and ensured the survival of the network of NGOs that was created at the time to make up for the lack of institutions and which has contributed greatly to the development of the Palestinian society. It also allowed for the provision of some basic social services, such as health and education.

In the absence of Palestinian national authorities, project proposals came from different local and international sources. There was also co-ordination with Arab donors and with UNRWA, which before the establishment of the Palestinian Authority was, so to speak, the only Palestinian institution on the ground.

Even before 1993, but especially after the Declaration of Principles, EU and Member States' assistance to the Palestinians was primarily based on political priorities. This was because preventing the Palestinian economy and society from collapse was seen by all, including the Government of Israel, as a key contribution to peace. Related to that, the development of Palestinian institutions, above all the Palestinian Authority itself would facilitate the peace negotiations. This is another example of how what might be termed 'economic assistance' has an important political corollary.

Today, there is consensus that these objectives have by and large been achieved. However, not collapsing is a far cry from real sustainable development of the kind that might rally the Palestinian population to wholehearted support for peace, and the fall in per capita income experienced in recent years is cause for serious concern.

We, in common with other donors have thus been at pains to see how the effectiveness of our programmes can be enhanced, and in 1998/99 an independent evaluation of the main actions supported with our assistance was made in order to establish whether the objectives had been achieved and to learn lessons for the future.

The study provided a strategic analysis, taking account of the political situation and obstacles faced in the implementation of the programme, and an operational analysis with evaluation of individual projects in the priority sectors of EU assistance, namely private sector development, infrastructure and construction, and institution building (including recurrent cost support to the education sector). Four general recommendations emerged :

- Financing should be continued.
- Human resources should be strengthened.
- Co-ordination should be reinforced.
- The nascent Palestinian democracy should be strengthened.

The evaluation contained several sectoral recommendations as well :

As regards **private sector development**, where the EU has in particular supported three credit agencies merged into the Palestinian Development Fund (which later became the Palestinian Banking Corporation) with the aim of advancing loans to small and medium sized business, the report concludes that the appropriateness, relevance, efficiency, effectiveness and impact of the projects have been optimal. Furthermore the report states that ... the main specific objectives followed by the three credit agencies and by the Palestinian Development Fund since its creation correspond entirely to the needs for economic development of the Palestinian Territories. Additional support was recommended.

In the field of **infrastructure and construction**, the report analysed e.g. an important Municipal Support Programme, assistance to the Ministry of Education (22 schools) and the Gaza Solid Waste Programme.

The evaluation, referring to the impact of assistance concludes that despite a difficult environment and delays due mainly to political constraints and time-consuming administration and bureaucracy, a very significant part of the Palestinian population in the West Bank and Gaza Strip have benefitted directly and have seen their standard of living upgraded by the infrastructure provided.

Finally, the report evaluates EU assistance to **institution building**, including **recurrent cost support to the education sector**.

In general, recurrent cost support is not in line with the main thrust of our assistance which is normally used for sustainable actions. However, given the exceptional burdens that the newly created Palestinian administration had to bear, the IMF, in a 1995 review, recommended that the international community should provide extraordinary recurrent cost support to the Palestinian public sector. We responded, funding these costs for education in the territories until 1998. The evaluation points out that without this assistance, this vital sector would have collapsed with the consequent social and political implications.

EU funding for institution building represents a small proportion of our aid programme. However it is also a sector that is of key importance and one in which the problems have been especially acute. The report considered that, while it was difficult to evaluate, partly because some projects have not yet been implemented or are not yet complete, improvements were needed in programme management and coherence.

As a response to this, the EU has, in 1998/99, funded and substantially contributed to a comprehensive report by an Independent Task Force sponsored by the Council on Foreign Relations. The study – “Strengthening Palestinian Public Institutions” – is a comprehensive assessment of Palestinian Governance and provides a roadmap for future actions and means to overcome the shortcomings deriving from the lack of proper framework for the sector. The report has received favourable reviews, including from the

PA itself. President Arafat has appointed a Higher National Committee for Institutional Development (HNCID) which involves very senior PA officials to follow up on its recommendations.

So, we have learned many lessons about the way forward when it comes to development in the palestinian territories, and we shall be taking them fully into account in our **future support**.

More generally, we are conscious that a comprehensive peace settlement will require effective implementation of all agreements on security, water, refugees and so on. Moreover, the consolidation of diplomatic, economic and human relations will require time and a great deal of patience. And we know how important and difficult this is. After all, the European Union itself is an example, perhaps the finest in modern times, of how to build solidarity, stability and prosperity in the wake of terrible wars. 50 years on from our foundation we have achieved a great deal, but the job is not yet complete.

In an increasingly interdependent world, no man is an island, and the European interest is squarely in extending stability and prosperity to neighbouring regions and partners. For us, you don't get much closer to home than the Middle East : truly, we are partners in the search for peace.

We also know that a settlement will require considerable support, including financial help, and we are working toward defining the role that Europe can play in ensuring that the rhetoric of peace is translated into sustainable social harmony and economic development.

As European Commissioner Chris Patten said here in the region last month: "expectations of the EU are high and rightly so. But the Member States of the EU must recognise that the cost of helping to sustain a comprehensive peace settlement in the Middle East is likely to be very high indeed...what we must avoid at all costs is fine rhetoric followed by niggardly delivery. The EU has great responsibilities in this region, but it has other priorities too. The challenge for us is to ensure that we can meet all our responsibilities as honestly and as generously as possible"

Thank you.

**Community budget and EIB assistance to the Palestinians following the  
Declaration of Principles (in EURO million)<sup>4</sup>**

SECTOR	1994	1995	1996	1997	1998	1999	TOTAL
Education + running costs	10.9	41.2	49.9	8	4		114
Institutional building	1.5	2.5	3	5	5	2	19
Municipalities/Infrast		15	15	20		8.5	58.5
Housing	10						10
Private Sector	8.4	3.3	3.3	5	2	12	34
Health	2.7	13.27	8.3	5.2		4	33.47
Technical Assistance	5	5		5			15
Agriculture production	0.02	0.5	1.3	1.5	1.5		4.82
Environment / water			0.7				0.7
Police / Counter-terrorism	20			7.1			27.1
Elections		12.9					12.9
Ex-detainees	10				2	3	15
Vocational training			4.7				4.7
Human rights / Democracy	0.32	1.5	3	1.5		1.7	8.02
Humanitarian assistance	4.8	5.85	13.3	6.3	10.29	8.75	49.29
Solid waste	0.8					2.5	3.3
TV / Radio				1.5			1.5
Micro-projects	1	1	0.5	0.5			3
MED / PEACE Networks	2	4.5	1.8				8.3
ECIP		0.25	0.1				0.35
Energy	0.5						0.5
Special Cash Facility				25			25
Customs				1.2			1.2
Bethlehem 2000					2		2
Jerusalem institutions					5.5		5.5
Rural development					21		21
Emergency Equipment/Cargo Facility Gaza Airport						25	25
Other			0.7			8	8.7
EIB interest rate subsidies					14.65	2.6	17.25
EIB		26	53	15	103	18	215
<b>TOTAL</b>	<b>77.94</b>	<b>132.77</b>	<b>158.6</b>	<b>107.8</b>	<b>170.94</b>	<b>96.05</b>	<b>744.2</b>

iai ISTITUTO AFFARI  
INTERNAZIONALI - ROMA

n° Inv. 20726

17 MAG. 2000

BIBLIOTECA

**“A Palestinian Perspective On the European  
Role In the M.E. Peace Process”**

*Professor Manuel S. Hassassian  
Bethlehem University – Palestine*

May 2000

## **Introductory Remarks:**

There is no doubt that Europe and the US has vital common interests in the Middle East. However, in this unstable and highly volatile region, they are not pursuing a joint strategic agenda, as they usually do in the Europe and other troubled areas in the world. Instead, both powers are slipping into rivalry and low confrontation, a situation that points the way to the rise of fundamental and radical regional powers.

It is rather common knowledge, that Europe has greater dependence on imported oil from the Middle East than the US. This makes Europe more vulnerable to energy cutoff from the Middle East. Military power will continue to play a pivotal role in protecting Gulf oil supplies, and the US is solely shouldering this responsibility without rivalry from Europe.

This asymmetrical relationship causes low –intensity rivalry, where the regional powers are greatly affected by it, especially when there is a clear-cut US partiality towards Israel. It is no wonder then, that the Arab countries become fractionalized in terms of patron-client relationship with that of the US and Europe.

In fact, when it comes to the Middle East peace process, the contradictions sometimes surface and intensify the situation which makes it problematic and complexed, as recent events in the region unraveled.

According to Mr. Gerard Collins, the Former Foreign Minister of Ireland, "...The European Union, whose 15 States today constitute the planet's largest economic group in terms of number and wealth, but is still far from being a political superpower.

It was only after the 1973 war that a genuine will to co-ordinate the foreign policies of the Member States of the then European Economic Community came into being, in response to the Arab oil embargo. Little by little, the EEC rediscovered the Middle East and began to take into account the grievances of the Arab States and of the Palestinian.”

Although from 1987 to mid-1991 we observed an increasing willingness from European side to solve the Arab-Israeli conflict, that willingness vanished with the Gulf crisis, in which the Europeans came to acknowledge the leadership of the American administration in the search for a lasting solution.

It is worth mentioning, that during the nineties, new regional objective conditions surfaced like

- Iraqi occupation of Kuwait and attitude of the Palestinian leadership towards this occupation;

- Israel's restraint reaction towards Iraqi bombings;

- the Madrid peace conference in November 1991.

- the return to power of Labour in Israel in July 1992;

- the signature of the Oslo agreement in September 1993

- the return to power of Likud in Israel in 1996

- the return to power of Labor in Israel in 1999

\* Furthermore, according to Collins, “these elements have dramatically changed the attitude of European institutions towards the Palestinian question.

The first two elements have restored European sympathy towards Israel, an attitude which had been previously greatly weakened by Israel's oppression of the Intifada. However, a friendly feeling towards Israel had been strengthened by the coming back to power of a Labour government; it should be remembered that the Socialist group is the strongest group in the European Parliament and that therefore it became difficult to voice criticism against the Israeli Labour government even when it used methods



which were harder than those of the previous Likud government.”

“For all these reasons, with the signature of the Oslo agreement and the following recuperation by the United States of all initiatives in the peace process, Europe has been politically put on the sidelines and is confined to providing financial and technical assistance. The EU is in fact the largest financial donor for the reconstruction of the Palestinian Territories. Its total aid, including aid from its member states, amounted to 340 million ECU ECU in 1994, approximately 450 million US \$.”

“The Palestinians believe that Europe, as first financial contributor to the peace process, should go further than it currently does by envisaging negative measures against those who do not respect the signed agreements.”

“...Europe has the leverage for such a policy; only the political will is lacking in some European countries. It is crucial for us that the EU be credible: violations of the peace process should be met with a response, and consolidation of the process should eventually be accompanied by rewards.

The Israelis and the Palestinians are linked together through the peace process. Were this process to falter the Middle East will be trapped in an escalation of violence.”

## **I. Divergence of US and EU interests in the Middle East:**

It is no secret that the US for the last decade, had maintained a consistent foreign policy towards Israel. Above all, total commitment to Israel's security stands high on the agenda of the American administrations. Furthermore, the US contrived to build and maintain security arrangements to preserve stability in the Gulf region and access to oil reserves. It spared no moment in checking the proliferation of weapons of mass destruction, and combating terrorism. In addition, the US provided fair access to the region for American business, concurrently attempting to promote open political and economic systems.

In contrast to US policy in the Middle East region, the Europeans perceive, the Middle East crisis as a part of their diplomatic periphery, and hence they are very conscious of the threats of economic migration particularly from North African countries.

Furthermore, Middle East extremism spills over into Europe, and the latter's dependence on natural gas and more dependent on North Africa for energy supplies, makes it more tied to the Middle East region.

By and large, the European Union is more dominant than the US in the regional trade with the Middle East. Therefore, the EU feels that to support the Arabs, it should continue financial and economic support that could culminate in accessing them to the political arena, while, Israel resists adamantly EU's political involvement.

It is worth mentioning, that the EU failed in adopting a united and a common stand in its foreign policy vis-à-vis the Middle East. As a matter of fact, EU's role has always been subservient to that of the US, at least this is the perception that Palestinians and Arabs have about the EU's role in the Arab-Israeli conflict. Of course, it goes without saying that US military hegemony overwhelms EU's political clout in the Middle East region.

Besides these shortcomings, the EU enjoys several privileges that were in culmination to its long historical and traditional cultural links with the Mashreq and the Magreb. Regardless, of this overall relationship with the Arab world, not all European countries are favorable in their political stance towards the Arabs, and there are explicit divisions on this issue.

### **III. EU's Role in the Middle East Peace Process:**

There is no doubt, that the EU should play a bigger part in the Middle East peace process, and by doing so, it should be careful not to offend or challenge outrightly the US, so as the value of the EU's trade would not be limited or constrained.

One anticipation is that in the long-run EU's role may be a little more independent. Moreover, EU's economic interests in the Middle East are greater than the US that might develop a more independent EU intervention policy in the Middle East peace process. However, a need of coordination and synchronization on the Arab side is required if the EU's efforts are going to be instrumental and effective. Furthermore, the EU should be prepared to encounter two key functional challenges: a) countering the proliferation weapons of mass destruction b) and combating terrorism.

The EU however, contrived to get into the Middle East through political, security and above all economic means as well as by building agreements with the countries of the region. There is no doubt, that EU's economic involvement in the Middle East is much greater than that of the United States. However, the EU has failed to positively influence the process and to enforce international law, and the Barcelona process, in which the EU tries to combine conflict prevention which cooperation with the Mediterranean countries is at jeopardy, one of the major reasons being the stagnation in the peace process between Israel and Palestinians.

One cannot overlook the seminal role played by the Europeans in the Multilateral negotiations that commenced on January 28-29, 1992 at the Moscow Multilateral Middle East Conference. The goal of the Multilateral framework were twofold: to find solution for key regional problems, which serving as a confidence-building measure to promote the development of normalized relations among the nations of the Middle East. Regardless, that the multilateral negotiations were procrastinated due to the stalemate at the bilateral negotiations, the role of the Europeans was marked to a certain degree.

In fact, the Arab governments and the Palestinians were frustrated with minimal political role that E.U performed due to US constraints on the former. The Palestinians from day one aspired for a more intensified role by the Europeans in the peace process to tip the balance of outright partiality to Israel by the US. And for reasons that were thinly spread in the context of

the Middle East peace process. This level of frustration was portrayed occasionally by the Palestinians, which in turn should not hamper a joint EU and US collaborative effort on a parity level, within the context of the Middle East peace process.

#### **IV. EU's Role in Palestine:**

It will be totally unfair not to acknowledge the role of the European Union in the development process in Palestine, especially in the infrastructure development as well as those of the socio-economic developments. Specially the EU strengthened and emboldened the organization and funding of the Palestinian non-governmental organizations, as an integral part of Palestinian civil society. It pushed for democratization and hammered on Palestinian transparency/accountability and participatory culture.

Furthermore, the EU had helped Palestinian universities by funding their operational costs since the signing of the Oslo agreement in 1993. In fact, the final stipend was delivered to the Palestinian Ministry of Higher Education via the Palestinian Authority, around September 1999. EU also plays a pivotal role in normalizing Israeli/Palestinian/and Arab relations via academic cooperation and through programs like med-Campus, UNIMED and PEACE. Let alone, the EU has a great impact in the area of regional cooperation such as arms control, security, environment, refugees, etc.

By and large, the EU's role has been visible in second track diplomacy, thus bridging gaps in opinions between the Palestinians and the Israelis. Yet, with all the assistance rendered, the EU falls short in pressing Israel economically on the latter's stand, vis-a-vis, the building of illegal settlements, the confiscation of Palestinian land, the demolishing of houses, etc. And above all, there is no clear-pressure put by the EU on Israel to remove the economic blockade through checkpoints and closures imposed by Israel on the Palestinians.

## **V. EU Policy in The Mediterranean: Suggestions and recommendations:**

The EU could be most effective through its economic strength:

- Know –how transfers
- Development and long –term educational initiative are of utmost importance.

Further, the EU could take some political actions through

- sponsoring confidence-building measures.
- Promoting the charter for peace and stability in the Middle East.
- Be pro-active in cooperative security exercises like fighting the propagation of weapons of mass destruction

The EU's use of economic aid and financial assistance for political ends are quite visible in the Mediterranean; however, it should curb its neo-colonial attitudes as well as strive to create an EU-MED free trade zone. Also, the EU should emphasize religious dialogue to better understand the real causes of fundamentalism in all religions and the use of preventive diplomacy. In addition, it should bolster the development of democracy and civil society in the Middle East region. The EU should portray more concerns about the Middle East because of the latter's geo-strategic location which makes its stability and peace a global concern. It is important to note, that the cultural, economic, political and security issues in the Middle East region will be at the origin of critical challenges at the beginning of the next millennium. Therefore, secure development is the key to shaping modern peace.

## **VI. Palestinian Perspective on the EU and US Complementarity:**

Diplomatic, economic, and military initiatives will definitely, play and imperative role in consolidating an Arab-

Israeli peace. However, to achieve a comprehensive peace, the EU and the US should concert their efforts not only in perpetuating the peace process, but also in striving towards its progress, and finally, its implementation.

To do so, joint efforts should be exerted in promoting regional economic development and cooperation, and the EU should shoulder more than its current share. In support of this joint partnership venture, the EU and the US should converge their distinctive and yet separate approaches to addressing the region's economic and political ill-fate.

However, what is needed more on a strategic level, is an outright cooperation between the EU and the US in developing a clearer division of tasks based on the "principles of complementarity." One level would be, through the reinforcement of international law as the proper and more apt framework for the peace process: enforcement of international law as judiciary medium for the implementation of the peace agreements.

Furthermore, focusing on the security council resolutions 242 and 338 as the basic frame of reference, and the development of a joint stand agreement on Israel's illegal policies vis-à-vis land confiscation, building settlements, house demolishing, etc.

Finally, the Palestinians would like to see a level of parity between the EU and the US in promoting the peace process and in solving the final status issues that have been pending for a while.

iai	ISTITUTO AFFARI INTERNAZIONALI - ROMA
n° Inv.	20726
	17 MAG. 2000
BIBLIOTECA	



**Conference**  
**Crises in the Middle East : Palestine and Iraq**  
**Amman, Radisson SAS Hotel**  
**10<sup>th</sup> - 11<sup>th</sup> May 2000**

**"Iran and The Missed Regional Role"**  
**by**  
**Dr. Mohammed Jawad Ali**  
**Head of Center for International Studies**  
**University of Baghdad**



## Iran and The Missed Regional Role

Assistant Professor

Dr. Mohammed Jawad Ali

Head of Center for International Studies

University of Baghdad

The recent changes, which had taken place in Iran since the mid 1997, that are better noticed by the ascension of president Mohamed Khatemi to the presidency and what has been called as the revived of a reform front on the account of resseccion and loss of control on the part of the conservative relegious groups, has been an important motive to many analysits to think that the negativity of Iran both the regional and international aspects had been ended aid a new horizons of the Iranian relation will be opend, especially in the light of asscertaining and openness shown by Khatami toward his regional neighbours through his call upon them for dialogue and normalization and settlment of pending problems, in addition to his repeated calls for meeting between various religious and classfing civilizations on the international area . The west on his part started, as usual, reconditioning various aspects, in order to conform with those calls and to nuture Iran and prepare it for a new role. A role in a whole, which conforms with the western interests in the region under pretense that, Iran had changed her fundament a list face and

went into one flexible and smooth face on the basis of dialogue and understanding with the outside, and openness and democracy within the last elections came with the ascendance of the reform front which gives allance to President Khatami, the west assertion to its view, that Iran has parted with its old heratage with all its draw backs of radicalism and collision toward the west and opened new horisonz of balanced relations which will give way to Iranian partenership in regional balance which the west is planning for the region, through entrusting, Iran with a new role or recounting it for the same, by which, the west can fullfill and meets its economic, potitical and military goals and interests in this vital region of the world. The latest American - Iranian new normalization which could be observed by the American policies of normalization presented by the ending of sanctions on Iranian exports to American wirrests abd American popsology to Tehran on its previous policies toward it, all that presented evidence that the what was thought off as American boycott to Iran has now been ended.

As for Arabs, many of them were puzzeled by those outcomes and were apprehended of what now developmets are taking place in the American - Iranian relations but generally many of them were optimistic in this concern, and thought that a new Arab-Iranian is created where the old abnormal ties will be erased. For this purpose president Khatami and other Iranian officals were met with passionate optimistics that the new Arab-Iranian era will see the construction of strong relations between the Arabs and their Moslem

neighbour "Iran" .Those relations which suffered from the Iranian radicalism and intervention and exploitation during the past years.

A question could be asked about the fact behind the accumulated interest in Iran on the side of USA and the west in this phase in particular , and whether the election of president Khatami and the process of openness and reform was the reason which made the west and its Arab Allies alters its out look toward Iran? or there are other reasons linked with to the American - western quest to entrust Iran with a new regional role? did Iran really change its radical political plan, to a new plan based on regional and international cooperation and openness? And finally has really the political and economic qualifications for an active a regional role which can satisfy its complexity in this aspect and satisfy the American and western planning circles in their expectations?

Generally to answer all those questions, we think that USA doesn't pay attention for the political regime followed in any state, whether being a dictatorship or revolutionary- democratic regime. Its old worn off stances show that its backing to the recent developments is not original by itself, but coming out of a perception, that the continuing of its old policy towards Iran could isolate it, taking in consideration the European disacceptance to that policy, Adding to that, any American-Iranian settlement will facilitate the American Hegemony upon the world oil market through its capability to widen its civcle of pressure and backmailing of the OPEC oil producing countries and pushing them to increase their oil

production for the purpose of decreasing its prices in the interest of American and western TNCs.

The new vast reserves of Caspian oil could also be a reason of the American quest for this Iranian booty, which fact is an indispensable target taking in account the run of the European and Chinese and Russian companies to get the contracts of investment and exploit . Again all those reasons push USA to formalizing a new opinion, which parts with the past and opens a new phase aiming to pacifying the Iranian move for a regional role conforms with the special American look, by ending the dual containment policy of the nineties , by giving clues that Iran may be entrusted again for the role of a policeman of the Gulf and a sentry for the western interest in protecting oil wells, and by taking part in striking on any Arab state, and especially Iran what has been seen from the indication of American Iranian warm relations proves that Iran is streaming in the fulfillment of this future scenario, as seen by its negativity toward Arabs.

Again question arise whether Iran is capable to play this role.. In studying the indications concerning Iran's role, we will find that Iran is incapable and unprepared to play a leading regional role. For there are many internal problems first of all its economic problems like inflation, price rise and foreign debt in addition to poverty and which affected a wide range of the Iranian society .. adding to that all the social problems shown by the division of the society into many ethnicities and nations and the superiority exercised by the Persians

The result will effect the activity of Iranian foreign policy on the regional and international arenas. The past terrorist memory of Iran will be a hinderance to the trust expected from the west and USA, to secure a role for Iran in regional economic political in spite of American hypocrisy toward Iran, because the continuing relations of Iran with the radical movements and its quest to build a vast military and nuclear arsinals still draw doubts about the trustworthiness of USA in accepting an Iranian role in any regional measures . Again in analyzing the reality of the regional order, we will find Iran as unwelcomed party to the regional states because of the some old Iranian policy of collision and imperionity and racism and occupation of the three Arab islands, hencefor the escalation of crises relations with Iraq.

Now what can Iran realy do to a new role of coexistence on cooperation with Arabs. What is needed for Iran is materlizing those factors which bring it together with the Arabs , first of which is Islam and regional neighbourhood and the past and current hertage . A new understanding for that by Iran may lead to the change Iran's political speech. This and not going behind USA and its promises which never will be materialized, is the fact which can grant Iran a regional role. Failing in which will necessiate its going back to it's isiolation.

iai ISTITUTO AFFARI  
INTERNAZIONALI - ROMA

---

n° Inv. 20726  
17 MAG. 2000

---

BIBLIOTECA



**Conference**  
**Crises in the Middle East : Palestine and Iraq**  
**Amman, Radisson SAS Hotel**  
**10<sup>th</sup> – 11<sup>th</sup> May 2000**

**"The United States, The Gulf, and the Flaws of the Rogue-State  
Concept: A European View"**

**By**

**Dr. Volker Perthes**

**Stiftung Wissenschaft Und Politik (SWP), Research Institute for  
International Affairs**

## The United States, the Gulf, and the Flaws of the Rogue-State Concept: A European View

Presented to the Conference on "Crises in the Middle East: Palestine and Iraq", Institute  
of Diplomacy and Friedrich-Ebert Foundation, Amman 10-11 May 2000

*Volker Perthes*

- This presentation does not, and cannot, give *the*, but only *a* European view of US policies in the Gulf. *The* European view of the subject does not exist: The European Union (EU) does not have a unified position on Gulf issues or on Iraq. Being security-council issues, policies toward this region are not considered subject to the Common Foreign and Security Policy (CFSP) of the Union. This aside, there exist different views within the political classes of both the US and Europe. European criticism of US policies in the Gulf is in fact often echoed in critical assessments of these policies by "dissenters" in the US, particularly by regional experts and members of the strategic community that are concerned with the long-term effects of US policy rather than public opinion or congressional tactics. The reverse, i.e., European experts taking the US line, is less often the case.

### ***US perspectives and interests***

- To understand US policies in the region, it is necessary to have in mind that US approaches to any region in the world are formed against the background of *Washington's global perspective, its self-defined global interests and its unique status as the "only remaining superpower"*. The US, more precisely, is the only power today capable of projecting considerable military force into distant regions, and into more than one distant region at a time. As such it is only the only great power capable of giving credible security guarantees to regional allies and clients.
- *US interests in the Gulf region* have been clearly defined. They comprise (1) the free flow of oil at acceptable prices (which implies that no individual regional power should be able to control these resources), (2) the security of friendly states, and (3), since the early 1990s, the prevention of the proliferation of weapons of mass destruction (WMD) and longer-range missiles. Given that missiles and WMD proliferation in the area has become a fact, this latter interest may also be more pragmatically defined as preventing the "breakout of WMD", i.e. the development (particularly by Iraq or Iran) of a working nuclear weapon.<sup>1</sup> With respect to the Middle East at large, defined US interests also include, prominently, the security and wellbeing of Israel. Europeans (or more precisely: the political elites of the EU and its member states) do not deny the legitimacy,

---

<sup>1</sup> See Kenneth Katzman, "U.S: Options in the Gulf: Considerations for the Next Administration," *Middle East Insight*, January-February 2000, pp. 49-52.



or the importance, of any of these interests of their American ally, but they have different priorities.

- The *global perspective of a superpower* has in-built structural weaknesses, as it were. Given its role as a global player, it is not astonishing that US policies often seem to lack an appropriate interest for, and understanding of, regional dynamics and of the legitimate interests of regional actors. Also, given that its outstanding military capabilities are in fact the one domain where the US really is ahead of Europe or Japan – both can compete with the US in terms of economic strength and technical knowledge –, and given moreover that if and when a “policeman” is needed in some regional contingency or conflict, everybody looks for the US, it is quite natural that US policies toward Third-World areas defined as being of vital of interest are mainly based on military alliances and guarantees, i.e. on its preparedness to actively use military force. While Europeans tend to see force as a means of last resort that should be avoided (a means, moreover, whose use indicates the failure of diplomacy) US experts and policy-makers tend to see the *combination of force and diplomacy* (or sticks and carrots, as it is sometimes put) *as the most effective tool.*<sup>2</sup>

### **US strategies in the Gulf**

- In the Gulf, this tendency of US policy to primarily rely on force-based alliances has materialised in different projects and strategies over the last couple of decades: Remember the Baghdad Pact (1955), the ill-fated attempt to bind some Arab states to the Western alliance that collapsed with the overthrow of the monarchy in Iraq; Nixon’s Two-Pillar Doctrine (1971), designed to make Saudi Arabia and Iran the regional deputies of the US, that ended with the Iranian revolution of 1979; or the Carter doctrine (1980), defining the region as vital to US interests and threatening force against any outside power that would try to gain control over it, a doctrine, in fact, which indirectly lead to US support for Iraq in the Iraqi-Iran war. Thus, until the end of the East-West confrontation, the US viewed the USSR as its main adversary in the region. Consequently, the Baghdad Pact, the Nixon Doctrine and the Carter Doctrine were meant to deter the USSR from trying to gain influence or to contain the USSR’s regional allies. With the End of the Cold War, conditions changed.
- Since 1990, threats were no longer perceived from a global rival, but from local adversaries: According to the Clinton administration’s 1993 “Bottom-up” review of US military strategy, “regional dangers” were defined as one of four categories where US military forces should be used in the future. Given that the other three categories were “dangers posed by the proliferation of WMD”, “economic threats” to US security, and “threats to democracy and reform” in the former Soviet Union, eastern Europe or elsewhere, the Gulf region qualified, so

---

2 See *ibid.*, see also Geoffrey Kemp, “the United States, Europe, and the Persian Gulf,” in: *Allies Divided. Transatlantic Policies for the Greater Middle East* (Robert D. Blackwill and Michael Stuermer, eds.), Cambridge (The MIT Press) 1997, pp. 101-122.

to speak, for three quarters of the categories that US strategists envisaged would necessitate the use of military force.

- With respect to the Gulf area, this re-orientation translated into the strategy of “dual containment”, i.e., the parallel confrontation with, and the attempt to isolate, both Iraq and Iran. “Dual containment” has been added to, lately, by the so-called Co-operative Defence Initiative proposed by US Defence Secretary Cohen in 1999. This initiative builds on the bilateral defence agreements that have been established since the Gulf War between the US and all the GCC states and concurrent attempts to boost these states’ military capabilities through arms sales (with little doubt that US commercial interests play a strong role). The initiative also aims at initiating co-operation between the US and regional states inside and outside the Gulf (the GCC states, Jordan, and Egypt) on missiles defence.
- While *US policy on Iran* has softened a bit since the election of Muhammad Khatami, the containment strategy against the country has not been entirely given up. Only recently, US Defense Secretary Cohen warned the GCC states against any military co-operation with Iran.<sup>3</sup> Europeans have always been critical of “dual containment”, particularly (and with largely common positions) of the isolation of Iran, and have developed their own strategies of “critical dialogue” and “constructive engagement” which also had its own flaws.<sup>4</sup> Most probably, neither strategy – neither the US strategy of containment, nor the European strategy of dialogue – has had any substantial influence on the changes that have come about in Iran. It is more reasonable to assume that what triggered Khatami’s election and the quest for reform and liberalisation in Iran were socio-economic and socio-political dynamics within the country. Europe and the US can at best support the reformists by helping Iran to overcome its isolation. In this sense, other than the US Secretary of Defence, Europeans would rather encourage, or even support, any co-operation, particularly in the field of regional security, between the GCC states and Iran. There is a strong European belief, not necessarily shared by US strategists, that regional peace and security is best served by regional arrangements while power projection from the outside is but the second-best option.
- With respect to *Iraq*, there is little doubt that the US had to build and to lead a coalition following the Iraq invasion of Kuwait. Without this initiative, the US would not only have lost credibility, it would probably also have lost any influence on the regional situation. This was particularly so inasmuch as the regional parties proved unable to undo the Iraqi occupation on their own, and no international coalition would have come into existence without the leadership and insistence of the US.

---

3 *Washington Post*, 10 April 2000.

4 See Johannes Reissner, “Europe, the United States, and the Persian Gulf,” in: *Allies Divided. Transatlantic Policies for the Greater Middle East* (Robert D. Blackwill and Michael Stuermer, eds.), Cambridge (The MIT Press) 1997, pp. 123-142.

- Since the defeat of Iraq, US policy towards that country has centred on containment. This is not to say that there were no changes in the US approach. Originally, the US did not expect that the far-reaching, indeed almost comprehensive sanctions against Iraq would remain in force for many years; they rather expected that UNSCOM would be able to do its job, and that the Iraqi regime would not survive too long. By 1995/96, both assumptions had proved wrong, US-sponsored attempts to overthrow Saddam Husein had also been foiled, and the humanitarian situation in Iraq deteriorated rapidly. To better legitimate the sanctions regime, the US supported the Oil-for-Food programme while at the same time threatening intensive military strikes to compel Iraq into co-operation with UNSCOM. Since Washington, at the same time, left no doubt that sanctions should continue as long as the Iraqi president remained in power,<sup>5</sup> US policies did not, in fact, give Saddam Husein any incentive to co-operate with UNSCOM, and a period of “cat-and-mouse” games ensued – or rather: a period where the Iraqi regime played yo-yo with the US by quick shifts from non-co-operation to co-operation, thereby forcing the US, as it were, to repeatedly prepare strikes and then call them off – most clearly so in the February 1998 crisis then temporarily solved by UN Secretary General Kofi Annan. During 1998, the administration was about to quietly redesign its policy and follow a deterrence-approach rather allowing Saddam Husein to set the agenda for limited military confrontations over the UNSCOM issue. At the same time, however, Congress demanded a more active approach and passed the Iraq Liberation Act. Following another crisis over Iraq’s non-co-operation with the UN arms inspectors, in November, and in order to re-gain the initiative, the US launched “Operation Desert Fox” (December 1998) which also meant that UNSCOM would be sacrificed.
- Since “Desert Fox”, the *US follows a strategy towards Iraq which is defined as “containment plus”*. This may read as “containment + regime change”: The US has indeed stepped up its effort to support the opposition in exile. It managed to achieve a fragile cease-fire among the two main Kurdish groups that share control of the quasi-autonomous Northern provinces of Iraq; and it has successfully worked for a broadening of the Iraqi National Congress (INC) and the election of a new INC leadership of that organisation in October 1999. This would hardly have happened without US support and encouragement. Still, however, it seems that the INC is an organisation that has more influence in the US Congress than in Iraq. Containment plus, however, can also be read as “containment + bombing”. The basic line remains that sanctions will not be lifted as long as Saddam Husein is in power, while US (and British) planes engage in what could be dubbed an air-war of attrition in order to weaken the Iraqi regime and nibble away its military capacities. At the same time, Washington threatens Baghdad with “unacceptable damage” if Iraq were discovered to be reconstituting its WMD programmes. As long as this is not the case, however,

---

5 In March 1997, US Secretary of State Madeleine Albright clearly stated that sanctions should not be lifted even if Iraq were to co-operate fully with UNSCOM.

and to the chagrin of some,<sup>6</sup> the administration shows no intention to increase its engagement, such as using ground forces in support of the opposition or militarily removing the Iraqi regime.

### ***Chances for a new approach?***

- International criticism of the sanctions and its catastrophic impact on the civilian population of Iraq has not gone totally without effect inside the US. At current, however, just months before a presidential election, the Clinton administration seems not prepared to reconsider its approach and thereby stir up hard-line opposition from Congress. There is a chance for policy changes, though, by the end of the year, just after the November elections: An outgoing administration does not risk much if it presents itself more responsive to the general mood and re-designs its policy on Iraq. This could include a return to a deterrence approach, rather than continued low-level military confrontation, and it could even involve limited direct contacts with Iraqi regime officials, specially if such an opening would lead to major Iraqi concessions such as allowing arms inspections or Iraqi support, verbally at least, for Arab-Israeli peace efforts.<sup>7</sup>
- Europe, as far as this can be generalised, is uneasy about the situation in Iraq, and it would definitely favour a removal of Saddam Husein to his staying in power. European concerns are less focused on that person, however, and Europe would, in general, be prepared to do business with Iraq even under the present regime. There is a strong interest to find a way to smarter sanctions. The humanitarian costs of the current sanctions regime are increasingly seen as unacceptable, and there is also an increasing awareness that by punishing the entire population of Iraq one might seriously mortgage future relations between Iraq and the West. In contrast to the US, European governments would see little harm in openly declaring the sanctions regime a failure and support a new regional approach, probably led by the UN.

### ***The rogue-state doctrine and its consequences***

- In the 1990s, US policymakers have tried to find an intellectual basis for their policies towards Iraq and Iran in the "rogue-state" concept or doctrine.<sup>8</sup> Europeans do neither share nor, normally, use this concept. They rather find all the regional states – more or less – difficult to deal with; and they do not see the "rogue state" concept as a convincing tool for policy prescriptions:
- The rogue-state concept is intellectually flawed. Different criteria have been outlined, in different presentations of the concept, as to what actually make a state a "rogue". These include the intent to acquire or actual possession of WMD, efforts to undermine the Arab-Israeli peace process, lack of respect for

---

6 See, among others, Amin Tarazi, "Contradictions in U.S. Policy on Iraq and its Consequences," *MERIA Journal*, vol. 4, No. 1, March 2000.

7 See Katzman, op.cit.

8 Or "backlash states", see, Anthony Lake, "Mideast Remains of Vital Interest to U.S.," Address to Washington Institute, *U.S. Policy and Texts*, 20 May 1994.

international law, and other things. There are quite a number of states around to which some or all of these criteria would apply, and some of them are partners if not friends of the West. We would eventually have to distinguish between "friendly" and "unfriendly rogues". Iraq before 1990 would have been seen as a "friendly", but from 1990 on an "unfriendly" rogue; Israel may qualify as a rogue and a very good friend. No one will be prepared to make such this distinction. Practically, if somewhat rudely put, states that qualify as rogues in the US dictionary happen to be those that have acquired a "most-disliked-nation-status" in Washington at a given time – short of being actual aggressors whose acts would undisputedly call for international action. Note that when Iraq invaded Kuwait, an international coalition could be built according to Chapter 7, UN Charter: not because Iraq was seen as a rogue, but because of its outright act of aggression.

- More importantly perhaps, the rogue-state doctrine encourages particular policies and discourages others that may be more promising. Thus, the doctrine naturally leads to manichaeic (black-and-white) approaches that depict some states as foes and others, necessarily, as allies. Secretary Cohen's Co-operative Defence Initiative is a good example. The concept also makes policy-makers focus on individual regimes and their conduct, rather than seeing the regional setting and regional dynamics. This is particularly important in respect to an issue such as WMD proliferation which cannot be dealt with successfully except with a regional approach. From a European point of view, it would be advisable to seek regional solutions to regional problems, not solely focus on individual countries whose political behaviour is, doubtless, regrettable. While an arms embargo against Iraq should certainly remain in place, it might also be at the time to invite Iran and even Iraq to participate in regional talks on arms control and security, perhaps in the framework of ACRS (the arms control and regional security working group in the Multilateral Middle East peace talks). They might not follow such an invitation, but the international community should at least do its utmost to encourage the establishment of regional structures.
- Here we return to our point of departure. The call for regional, multilateral co-operation and structures is very much a European approach, the approach of a not-so-distant neighbour to the region. We might convince the US to support such approaches, but given the global perspective and superpower status of the US, we should probably not expect them to devise such policies on their own.

iai	ISTITUTO AFFARI INTERNAZIONALI - ROMA
n° Inv.	20726
	17 MAG. 2000
BIBLIOTECA	



**Conference**  
**Crises in the Middle East : Palestine and Iraq**  
**Amman, Radisson SAS Hotel**  
**10<sup>th</sup> 11<sup>th</sup> May 2000**

**Iraq and Iran: Sanctions and Double Containment**  
**A View From the European Union.**

**By**

**Professor Roberto Aliboni**

**Director of Studies**

**Instituto Affari Internazionali, Italy**

## IRAN AND IRAQ: SANCTIONS AND DUAL CONTAINMENT A VIEW FROM THE EUROPEAN UNION

*by Roberto Aliboni<sup>1</sup>*

In recent years, many (non-American as well as American) analysts have put in question the wisdom and rationale of the US doctrine of the "dual containment" towards Iraq and Iran. Rather than being a strategic doctrine, the "dual containment" is a state of affairs reflecting the fact that the US was left without viable political options in the region by a set of mistakes whose cost it will be able to recover only in a more or less distant time: in particular, the full and blind support to the Shah's regime against any nationalist, liberal and religious groups in the country and the support to Iraq in the war against Iran, which convinced the Iraqi ruling regime of being entitled to exercise in the region a kind of proconsular power and prepared the country politically and militarily to its unfortunate attempt at swallowing Kuwait.

This perspective is now recognised by the US leadership as well. In a recent statement referring to Iran, the US Secretary of State Madeleine Albright has recognised that "In 1953, the US played a significant role in orchestrating the overthrow of Iran's popular Prime Minister Mohammed Mossadegh. ... Moreover, during the next quarter century the US and the West gave sustained backing to the Shah's regime. Although it did much to develop the country economically, the Shah's government also brutally repressed political dissent. ... Even in more recent years, aspects of US policy towards Iraq during its conflict with Iran appear now to have been regrettably short-sighted, especially in the light of our subsequent experience with Saddam Husayn"<sup>2</sup>.

This statement reflects the gradual erosion of the "dual containment" official posture, with its kit of tools of coercive diplomacy, like sanctions and military interventions. Although the statement may be interpreted as a harbinger of slow and cautious change towards Iran, a change of the overall US posture and a coherent Western policy towards the region look today still uncertain and difficult to achieve. This paper tries to outline present situations with respect to Iran and Iraq and sketch out prospects of Western and international coercive diplomacy towards the Gulf region with a focus on Iraq. It concludes by setting out some policy suggestions.

### **The situation with respect to Iran**

Changes in Western attitudes towards Iran began to emerge very cautiously with the election of Mr. Rafsanjani, after Ayatollah Khomeini passed over in 1989, and have been strengthened subsequently by Mr. Khatami's election. The latter is widely recognised in the West as the genuine expression of most Iranians' willingness to obtain a more

<sup>1</sup> Director of Studies, International Affairs Institute-IAI, Rome.

<sup>2</sup> Reported by *Middle East Economic Survey*, 27 March 2000, p. C2. The speech has been delivered on March 17, 2000 at a public conference organised in Washington D.C. by the American-Iranian Council (AIC) in association with the Middle East Institute (see also *The Middle East Institute Newsletter*, Vol. 5, No. 3, May 2000, p. 2).



tolerant and secular Republic while retaining Islam as an essential component of their polity. By establishing a policy of "critical dialogue" with Iran at the 1992 European Council of Edinburgh, the Europeans proved to be more ready than the Americans to grasp the change dynamics in this country. The US administration has shown awareness of changes taking place in Iran, still normalisation has been hindered by US traumatic relationship with Teheran due to the hostage crisis and, more recently, by Congress actions geared to impose a more radical and unilateral foreign policy than that apparently wished for by the administration<sup>3</sup>.

The already quoted speech by the US Secretary of State marks a remarkable step forward in the US position. In fact, in the package of policy measures announced by the speech such policy is significantly mollified: beside lifting US unilateral commercial sanctions on a limited number of goods (carpets and food products) and easing contacts and exchanges between civil societies, the package includes efforts "aimed at eventually concluding a global settlement of outstanding legal claims" between the two countries<sup>4</sup>, a step that would be relevant in terms of normalising bilateral relations. All this, however, can hardly be regarded as a full-fledged change in the US policy of containment.

As a matter of fact, this move by the US administration has emerged in a fragile political context characterised by impending presidential elections in the US and persisting differences between the President and the Congress as well as between reformers and conservative hard-liners in Iran. Meanwhile, despite Albright's package, the bulk of unilateral sanctions signed into law in August 1996, and amounting to a total ban on all trade and investment with Iran, are still there. Furthermore, one has not to overlook the fact that US sanctions legislation against Iran is reinforced by policies detrimental to Iran's interest and economic development<sup>5</sup> like the *de facto* US administration's denial of oil swaps in the north of Iran in order to encourage the unreasonable and costly pipeline from Baku to Ceyhan<sup>6</sup> and its opposition to World Bank's loans and assistance to Teheran.

There are obstacles and uncertainties on the road to normalising US-Iran relations, albeit EU (including the UK) relations with Iran, amidst reservations and differences, are getting more and more normalised. Still, it would be a mistake to overlook the fact that, despite persisting sanctions, domestic lobbies and domestic politics, there is in the US a broad trend towards normalisation with Teheran that is reinforced by regional factors, in

<sup>3</sup> On sanctions see in general: Phebe Marr, *U.S. Policy of Sanctions: Prospects for Revision*, working paper presented to the workshop of the Bertelsmann Foundation "Critical Dialogue and Sanctions", Frankfurt, December 13-15, 1996; Geoffrey Kemp, *United States & European Cooperation on Iran Policy. Elements of a Common Approach*, prepared for the workshop of the Nixon Center for Peace and Freedom on "U.S.-European Relations and the Middle East", Wye Plantation, May 8-10, 1997.

<sup>4</sup> After in 1981 the US government returned to Iran a considerable amount of what assets had been seized during the hostage crisis, nearly all private claims have been resolved before the Hague Tribunal. What is left corresponds to a few but important claims between the two governments, the most significant and substantive being the so-called B1 account, which regards Iran's claim against the US for the disposition of its military account at the time of the revolution (see Gary Sick, "Iran's Elections: Out of Chaos, Change", *Middle East Economic Survey*, 28 February 2000, p. D4).

<sup>5</sup> See Sick, *cit.*

<sup>6</sup> See Amy Myers Jaffe, Robert A. Manning, "The Myth of the Caspian 'Great Game': The Real Geopolitics of Energy", *Survival*, Vol. 40, No. 4, Winter, 1998-99, pp. 112-29; Heinz Kramer, Friedemann Müller, "Relations with Turkey and the Caspian Basin Countries", in Robert D. Blackwill, Michael Stürmer (eds.), *Allies Divided. Transatlantic Policies for the Greater Middle East*, Cambridge (Ma), London, MIT Press, pp. 175-202.

particular normalisation between Iran and Saudi Arabia and US frustration with the regime in Baghdad.

### **Iraq; ten years of coercive diplomacy**

The current evolution suggests that, while there are domestic changes in Iran that might bring about a trend to normalisation in Teheran's international relations as a result of a more moderate and co-operative domestic stance, as far as Iraq is concerned it seems that there is stalemate with the risk of renewed international clashes and crises.

Where do we go from here with respect to Iraq? After ten years of coercive diplomacy the balance-sheet is not encouraging: the regime is still in control; it never regretted its behaviours and is heavily suspected of being willing of resuming them as soon as external control is relaxed; rather than the regime, sanctions affect Iraqi ordinary people to an unacceptable extent. Apparently, coercion didn't work neither to change the regime nor its behaviours.

It could be argued that coercive diplomacy has worked with Iran or Libya. Why shouldn't it do the same with Iraq, though in a more distant time? In both Iran and Libya, however, change came mostly and fundamentally from domestic factors and evolution. This is particularly true for Iran, where the drive towards a more Republican and less Islamic regime derives from internal demands of change having nothing to do with external pressures currently put on the country. On the other hand, sanctions on Libya may have acted as a proximate and auxiliary cause in convincing the regime to hand over the two suspects of the Lockerbie attack, but even in this case the path to moderation is basically due to internal pressures and related domestic adjustments (as well as to regional diplomacy by Egypt and Italy).

On the contrary, domestic conditions in Iraq seem less conducive to changes from inside, as in Libya and Iran. Furthermore, sanctions on Iraq are by far more stringent and extensive than those on Iran and Libya. Their effects on people are devastating, whereas effects on Libya's and Iran's populations have been marginal. Protracting sanctions on Iraq, so as to compel changes inside the country, would definitely accentuate the humanitarian catastrophe that for many respect is already in place.

In front of these developments and constraints, the international community faces a dilemma: either it considers the Baghdad regime responsible for the humanitarian catastrophe underway and intervenes militarily, as it did with the Belgrade regime by intervening in Kosovo, or it has to seriously revise its policy. As the first option has to be excluded because political and security conditions for it to be implemented are just not there, what is left is the need for a policy revision.

It must be added that, even from the point of view of Western countries, a policy revision towards Iraq is also desirable for at least two reasons: (a) in the case of Iraq, as we have just argued, the effectiveness of sanctions appears hardly sustainable both in economic and political terms: though the public opinion is convinced that Iraq is a "rogue" state, support to sanctions as an instrument of coercion is by now largely eroded; (b) the gap between Europe and the US with respect to Iraq may widen out so that some damage control is needed with respect to the Atlantic Alliance cohesion.

Does Resolution 1284 represents the beginning of a revision?

## **The debate in Resolution 1284**

Something that contributes to strengthen the noted broad trend towards US-Iran normalisation is also the fact that internationally Iran has managed to attract a certain degree of credibility and trust, with regard to the EU as well as other important international actors. Something that is not true with respect to Iraq. There are differences among the US, the EU and other members of the UN Security Council about what to do with Iraq. Still, there is a fundamental distrust with regard to the regime and consensus on the need to monitor the country. Differences are more in ways and means to deal with this country than about the necessity to control it. This situation is reflected in the difficult UN Security Council debate which has generated Resolution 1284 and is presiding over its as much difficult implementation.

What Resolution 1284 puts forward is a suspension of the sanctions versus the acceptance by Iraq of the new monitoring regime introduced with UNMOVIC, the UN Monitoring Verification and Inspection Commission which replaces UNSCOM. Furthermore, accepting the Resolution would also allow Iraq to sell unlimited quantities of oil, instead of the ca. 11 billion dollar per year it can sell today within the framework of the "oil for food" programme. As yet, this agenda has not been accepted by Baghdad, nor has it been rejected, though.

As already pointed out, sanctions on Iraq have been so stringent and, despite the "oil for food" programme, are having effects so devastating on Iraqi people that the question has been more and more raised whether sanctions are not amounting to a human rights abuse so that limits have to be put on them or the latter be lifted in favour of different kinds of coercive policies. All the permanent members of the UN Security Council share humanitarian as well as broader regional political concerns relating to Iraq's situation. They also share concerns about Iraqi rearmament and the regime's uninterrupted attitude to assertiveness and aggressiveness. Where they disagree is about the mechanism to continue to control Iraq.

France, Russia and China believe that control can be exercised while lifting sanctions, whereas the US and the UK believe that in order to make control feasible and effective the UN has to uphold a stick. This is the reason why, in putting forward Resolution 1284, the US and UK wanted to secure the operability of UNMOVIC by suspending - rather than lifting - sanctions, so as to restore the latter in case Iraq would not comply with UNMOVIC's tasks of controlling, verifying and inspecting. Despite divergence on how to do it, it remains that there is a fundamental agreement in the UN Security Council on the need for control, as it is shown by the fact that the France, Russia and China didn't veto the Resolution and after the vote on it promised to support its implementation.

Implementation, however, is not easy. As far as the humanitarian dimension is concerned, it has been pointed out that Iraq should be given the possibility of selling unlimited quantities of oil irrespective of its acceptance of UNMOVIC, though incomes would continue to go into the existing escrow account. Others are objecting that the question is not about exporting limited or unlimited quantities of oil, but about Iraq's ability of producing oil. As eased as they may be, present controls on spare parts import prevent the oil industry to work effectively. In any case, the very existence of sanctions keeps foreign investors aloof and prevent new technologies from being acquired. These factors make many people sceptical about the possibility of making the oil industry work

within the framework of the sanctions system, let alone within the limits of a humanitarian programme. The oil industry has to work economically lest risking destructuring and losses of reserves. To that purposes sanctions have just to be lifted<sup>7</sup>. In this sense, Resolution 1284 is not enough. Nor is it as a means of improving the management of the humanitarian dimension through "oil for food" programme. Strong criticisms have been raised about the actual possibility of implementing the humanitarian dimension of Resolution 1284<sup>8</sup>.

Implementation is also difficult from the point of view of arms control. Albeit the UN is emphasising the task of monitoring over inspecting and is trying to assure Iraq about the non intrusive character of UNMOVIC with respect to UNSCOM<sup>9</sup>, the stumbling block is that, unless Iraq accept Resolution 1284, UNMOVIC simply cannot be put in place.

In fact, Iraq's government is not negotiating on UNMOVIC terms of reference nor on oil export. Iraq's position is that sanctions must be lifted first and, then, the government would be ready to negotiate on whatever else. This position is clearly pointed out, among other Iraqi statements, in what the Deputy Foreign Minister Nizar Hamdoon said at the end of January 2000: "... unless Iraq is given something major, why should Iraq provide free co-operation that was not linked to a guarantee to end the embargo? We simply want the sanctions to be lifted. Then we will be prepared to sit down with the Security Council to work out any details and follow-ups"<sup>10</sup>.

What Iraq wants is its sovereignty restored. There is no doubt that with Resolution 1284 its sovereignty remains strongly affected: beside arms control, there are the "no-fly" zones on its Northern and Southern regions<sup>11</sup>; the limitation on oil income and its use (the escrow account); the diminished control on Kurdistan. In this perspective, it is unwilling to negotiate and accept, with the application of Resolution 1284, the suspension of sanctions.

As always, Iraq is betting. This time, it is so on its return to full sovereignty, on the basis of the belief that the US and the UK will yield to international pressures. If Iraq is wrong, not only its long-standing crisis risks remaining unsolved, but a new, worst one could emerge.

---

<sup>7</sup> In a conference organised on February 29, 2000 by the Middle East Institute on "Iraqi Oil after Sanctions", the Executive Director of the London-based Centre for Global Energy Studies, Fadhil Chalabi, said that "Since the sanctions were put into place ... the industry has deteriorated severely. The deterioration of equipment and fields has accelerated thru the unavailability of necessary spare parts and by overproduction that threatens proper stewardship of Iraq's oil reserves" (from the summary of the proceedings published by *The Middle East Institute Newsletter*, cit., p.1 & 3).

<sup>8</sup> To protest against humanitarian deficiencies of Resolution 1284, the UN aid co-ordinator for Iraq, Hans von Sponeck, and the head of the UN World Food Programme in Baghdad, Jutta Burghardt, have resigned from their positions (*Middle East Economic Survey*, 21 February 2000, p. C1).

<sup>9</sup> See the interview to Amb. Rolf Eckeus, head of former UNSCOM: "Shifting Priorities: UNMOVIC and the Future of Inspections in Iraq", *Arms Control Today*, March 2000, pp. 3-6.

<sup>10</sup> Interview to *Middle East Economic Survey*, 31 January 2000, p. A2.

<sup>11</sup> On the state of "no-fly" zones see B. Bender, A. Koch, "Poisoned Cigars, Perhaps", *Jane's Defence Weekly*, 12 April 2000, pp. 21-25.

## Where do we go from here?

Though keeping strong limitations in Iraq's sovereignty, Resolution 1284 brings about a significant shift in the US Security Council anti-Iraq party's attitude, a shift Iraq should not overlook. Provided that the US and the UK bottom position is that Iraq's reintegration should follow, not precede, serious evidence of change in behaviours, the suspension of sanctions is definitely a step forward.

On the other hand, it is true that there is a basic difference between the US and the UK, on one side, and other great powers, on the other, in the sense that the former want to maintain the mechanism of sanctions alive whereas the latter would prefer sanctions to be lifted now (together perhaps with the two "no-fly" zones). What Iraq may overlook, however, is that France, Russia and China basically agree with the necessity of continuing arms control on Iraq and are keen to compromise with the suspension of sanctions and the liberalisation of oil export. If Iraq is steady in rejecting Resolution 1284, will France, Russia and China support Iraq of the UN Security Council cohesion?

This author believes that Iraq should accept Resolution 1284 and put off its return to full sovereignty to a more appropriate time. The acceptance of Resolution is the premise for beginning to look for a way out of the Iraqi crisis. If there are prospects that Resolution 1284 is accepted, sanctions suspended and control on arms continued, the following measures and orientations can be suggested:

- even if sanctions will be suspended and Iraq will be able to export unlimited quantities of oil, the income coming from this oil will remain under control (it will continue to flow in the existing escrow account) and tied to "oil for food programme", allowing to that purpose for expanded acquisitions of spare part (always in a humanitarian rather than economic perspective); as already said, there are strong doubts on whether "oil for food programme" can be really implemented under Resolution 1284; the best solution would be, however, to lift control on oil revenues trusting on UNMOVIC only for controls over arms acquisitions rather than relying on controlling revenues to prevent acquisitions; more in general, Resolution 1284 should be corrected so as to put Iraq's economy on track and responsibility for Iraqi people welfare again in the hands of the Baghdad regime rather than the international community;
- the EU countries believe that what the international community has to change in respect to Iraq regards its behaviours rather than its leadership; this is the basic difference between the European and the American/British approach towards Iraq (and Serbia, while everybody agrees that this is not the case with respect to Iran and Libya); the notion of "rogue" state is also connected to the US idea of using coercive diplomacy to change the regime; both notions (the change of regime in a "rogue" state) reflect an ideological approach to justify, just in case, intervention even beyond limits permitted by international law and rally domestic consensus; this ideological approach prevent the Western countries from looking at Iraq or Serbia for what they are, i.e. traditional "enemies" and using against them a traditional multidimensional policy approach, that is not only containment or compellence but all the policies it fits to use, including détente or co-operation (as it was the case with the Soviet Union); this means that in the framework of its preferential relations with the US, the EU should continue to deploy every effort and, where it need to be, take on responsibilities to try to change the intimate US attitude towards Iraq and come to a more realistic common approach;

- in the longer term, the EU and the US should use their experience with co-operative security and regional co-operation to promote a more structured regional framework in the Gulf; unless this framework is set up, Iraq will remain a divisive issue and it will be hardly reintegrated; in particular, the EU should try to link its Barcelona framework to the Upper Gulf (Iraq and Iran); such link would not only foster regional co-operation on the Upper Gulf and improve relations with the Gulf Co-operation Council, but would also provide the Barcelona framework with the proper strategic format it is lacking presently;
- finally, the implementation of Resolution 1284 should also be the occasion for a concrete collective engagement to abide the UN legal framework, something that both Iraq and its enemies have sometime neglected.

**FRIEDRICH  
EBERT  
STIFTUNG**



**Conference  
Crises in the Middle East : Palestine and Iraq  
Amman, Radisson SAS Hotel  
10<sup>th</sup> – 11<sup>th</sup> May 2000**

**"The Future Role of Iran"**  
By  
**Dr. Rosemary Hollis**  
Head, Middle East Programme  
Royal Institute of International Affairs, London

International Conference  
**Crises in the Middle East: Palestine and Iraq**  
Jordan Institute of Diplomacy  
In cooperation with the Friedrich Ebert Stiftung  
Amman, 10-11 May 2000

DRAFT PAPER  
**The Future Role of Iran**

By  
Dr Rosemary Hollis  
Head, Middle East Programme, Royal Institute of International Affairs, London

In opening, may I say how pleased I am to be invited to participate in this conference. The topic is in need of urgent attention. Both Palestine and Iraq have been existing in a state of crisis for some considerable time, and it is not clear in either case when and how they will be able to emerge into a brighter future. That said, my task here is to give a British perspective on the future role of Iran. That role will no doubt be affected by what transpires in the Middle East Peace Process and how Iraq comes out of its imposed isolation. I shall posit three scenarios for the future of the region and Iran's place in these. First, though, I wish to make a some remarks about developments in Iran itself; indicate how Iranian sensitivities have influenced its foreign relations so far, and then talk about the overlapping spheres in which Iran is already active in the region.

**The Bumpy Road to Reform in Iran**

In April, Iran entered a critical phase in the evolution of its Islamic democracy and I happened to be in Tehran just as the conservative backlash took hold. The closure of over a dozen newspapers identified with the reformist trend was explained to me as a deliberate attempt to provoke members of the reformist camp, who won a majority of seats in the first round of Majlis elections in February.

An atmosphere of tense excitement pervaded among the intellectuals and academics with whom I was able to mingle. They foresee the coming month as a testing period for the fortunes of the reformist movement. Having surfaced with the landslide victory of President Mohammed Khatami in 1997, this movement has the support of a majority of young people and women, at least according to the election returns both in



1997 and earlier this year. Since the majority of Iranians are under the age of 25, it would seem that the agenda of youth will eventually triumph. But in the short term, more conservative elements, entrenched within the system, are apparently determined to halt the pace of change.

President Khatami came to power with a mandate to effect social reform, nurture civil society and uphold the rule of law. He is generally considered to be a cautious man, fully aware of the dangers of going too far too fast, for fear of a conservative backlash. Yet his caution has been more in evidence than his courage in the past year. When students demonstrated following the closure of a reformist newspaper last summer, and violence erupted as security forces attacked the students in their dormitories, President Khatami closed ranks with the Supreme Leader Ayatollah Ali Khamenei, himself identified with more conservative elements. The fear of chaos inclined all factions to prevent further trouble from spilling onto the streets, and the subsequent months saw the struggle for power contained within the bounds delineated by the constitution. This in itself could be considered a strength of the evolving system.

As the Majlis elections loomed, there was speculation that various elements in the reformist movement, by running against each other, would sacrifice the cohesion required to sweep the board on polling day. Others warned of the dangers of a landslide victory, which, by alienating the conservatives, could trigger exactly the reactions that have surfaced since the reformers won. The man who portrayed himself as best able to bridge the gap and maintain stability was former President Rafsanjani. Yet, his capacity to adapt his rhetoric to suit the mood of the time and revelations of corruption stemming from his period in office, rendered Rafsanjani the object of suspicion and distrust. He scraped in last among the candidates returned for Tehran in the first round. Now there is speculation that Rafsanjani is the hidden hand behind the conservative crackdown.

The first sign of trouble came with the assassination attempt on Saeed Hajjarian, the main political strategist for the moderates and adviser to the President. On 16 April the Revolutionary Guards issued a statement warning:

The Islamic revolution is a revolution of reason and compassion. But, if necessary, the enemies will also feel the [pain] and blows in their skull, that they will forever be stopped from hatching plots and committing crimes.<sup>1</sup>

Within days, the crackdown on the newspapers had begun. Journalists and other prominent proponents of social and political reform have been arrested on charges of endangering Islamic values.

It is the courts which are in the forefront of the backlash. As this illustrates, the conservative camp is as entrenched in the system as those campaigning for change. Even though the latter are confident that they will triumph eventually, having as they do the majority of youth behind them, they fear that the impatience of youth will out. If hardliners succeed in provoking new violent demonstrations, which allegedly they have been plotting to do, they could pounce on the excuse for a security clampdown. They could postpone the inauguration of the new Majlis, due on 28 May, and sideline President Khatami in the process. Meanwhile, the existing legislature is passing new laws to hold back the pace of reform.

In very broad terms, we could be witnessing just another stage in the 'two steps forward, one step back' progress of the reformist trend in Iran. Certainly, observers both inside and outside the Islamic Republic claim the trend is ultimately irreversible. However, it would be unwise to underestimate how bumpy the path of democracy is likely to be.

This assessment has three implications for the role of Iran: (1) Iranians are necessarily more preoccupied with internal affairs than foreign relations; (2) the tensions and potential for violence evident in the evolution of Iranian democracy will not encourage others to embrace the Iranian example; and (3) domestic concerns will deter the Iranians from radical action abroad.

---

<sup>1</sup> Geneive Abdo, 'Hardliners in elite force "plotting coup against Iranian president,"' *The Guardian* 27 April 2000.

## **Implications for International Relations**

At the broad international level, the United States has failed to win any other countries over to its policy of containment of Iran through trade sanctions. Now even Washington appears to want to find an elegant way to restore relations with Tehran. US Secretary of State Madeleine Albright's landmark speech on 17 March to an Iranian-American association was designed to promote that goal. Among other conciliatory gestures she conceded America's role in the royalist coup of 1953 and regretted US support for Iraq against Iran during their war in the 1980s. However, one sentence in Albright's speech fed directly into the hands of Iranian hardliners, to the detriment of the very reformers she hoped to encourage. The speech singled out the elected leadership of Iran for positive comment, thereby, by implication, denigrating those not so elected, which includes the Supreme Leader.

This distinction has been seized on by Iranian opponents of a rapprochement with America as unwelcome interference by the United States. Their constant refrain, in any case, is that foreign enemies of the revolution are in collusion with certain reform elements to manipulate the press and public opinion to the detriment of Islamic values. Consequently, however benign their intentions, Iranians inclined to turn over a new leaf in relations with America will have to hold back. The chances of any substantive change in US-Iranian relations can be considered virtually nil for at least another year.

The status of European-Iranian relations, however, is positive, although not always free of difficulties and misunderstandings. In June 1998 the Italian prime minister visited the Islamic Republic, becoming the first EU premier to make such a trip since the Greek prime minister visited in 1992. The event was taken as a signal of a readiness in the EU, spearheaded by Italy, to further economic ties. Meanwhile, Iranian President Khatami chose Italy as the destination for his first official visit to Europe in March 1999.

Although generally successful that visit was not without some areas of embarrassment. This, as other examples, serve as a reminder of the sensitivities which

exist in Iran. On this occasion it turned out that, coincidentally, Salman Rushdie, author of the novel *The Satanic Verses*, and the subject of the *fatwa* issued by Ayatollah Khomeini, was also in Italy at the invitation of a university. The Italian authorities apologized for this 'accidental' occurrence, of which the government had been unaware. Among President Khatami's critics at home, this excuse was rejected as preposterous. The fact that wine was served at events attended by the President was also criticized in Iran, heralding a problem which was subsequently to beset an intended visit by Khatami to France in April 1999.

The groundwork for upgrading Franco-Iranian ties, culminating in an Iranian presidential visit to France was laid in summer 1998, when French Foreign Minister Hubert Vedrine visited Tehran. In February 1999, Iranian Foreign Minister Kamal Kharrazi was received in Paris and plans were discussed for various economic agreements and understandings on cultural exchanges to be signed during the anticipated visit to France by President Khatami the following April. However, at the end of March 1999 it was announced that the visit was not to take place as planned, because of disagreements over protocol, including France's refusal to accept that no alcohol be served at any of the functions to be attended by the Iranian leader. Determined not to let difficulties over the presidential visit interfere with economic relations, a French business and trade delegation nonetheless proceeded to visit Iran during April. The French energy company Elf concluded a new contract with Iran at that point, incurring criticism from the US State Department.

British-Iranian relations have also undergone improvement in the past two years, though again not without difficulties and set-backs. The issue of the *fatwa* on Salman Rushdie had dogged bilateral dealings since it was issued in 1989. Various diplomatic contacts to try to resolve the problem proved fruitless until, during his visit to New York for the opening of the UN General Assembly in September 1998, President Khatami declared that Iran regarded the affair as 'completely finished' and Foreign Minister Kharrazi told his British counterpart Robin Cook, that:

Iran has no intention, nor is it going to take any action whatsoever to threaten the life of the author of *The Satanic Verses*, or anybody associated with his work, nor will it encourage or assist anybody to do so.<sup>2</sup>

Britain restored full diplomatic relations with Iran thereafter, though it was not until April 1999 that London and Tehran agreed on the exchange of ambassadors.

When students clashed with members of the security forces in Iran last summer, the riots were covered extensively by the BBC Persian language service, broadcast to Iran. This expression of intense foreign interest, and the way the coverage was handled, raised suspicions among Iranians that the British were up to new tricks. Conspiracy theories about the British have a long history in Iran and continue to hold sway among the public and certain sections of the elite. In Autumn 1999 media reports in Iran claimed that the British are so jealous of improved Iranian ties with other European countries that they are determined to highlight negative factors which might interfere with these.

In October 1999 the previously cancelled visit by President Khatami to France went ahead. The difficulty surrounding the issue of whether wine would be served, in accordance with official French custom, at a state banquet or formal lunch, was overcome by a decision not to include such events in the President's schedule. This did not prevent talks going ahead at the highest levels and agreements were signed, valued at \$750million for Iran to purchase 100 locomotive engines and four airbus passenger liners, and for France to supply radar equipment for air traffic control centres. Aside from meeting President Chirac and Foreign Ministry officials, President Khatami met other ministers, parliamentarians, and businessmen, and gave an address at UNESCO.

It was shortly after this event, heralded as signifying not only an improvement in Franco-Iranian relations but also closer ties between the Islamic Republic and Europe as a whole, that arrangements were made for Iranian Foreign Minister Dr Kamal Kharrazi to make the first such ministerial visit London since the revolution. The plan

---

<sup>2</sup> Adam Tarock, 'Iran-Western Europe: Relations on the Mend,' *British Journal of Middle Eastern Studies*, Vol 26 No 1 (May 1999), p.60.

was nearly derailed, however, when, on 1 January 2000 the London *Times* republished, among other obituaries of the twentieth century, an extract from one on Ayatollah Khomeini which was deeply offensive. It took a formal statement of regret from the British Ambassador in Tehran to diffuse the crisis and on 10-12 January this year Dr Kharrazi came to London. During his visit he met the British Prime Minister and Foreign Secretary and also gave a speech at the Royal Institute of International Affairs where I work, which was covered by the media. The outcome was formal acknowledgement on both sides that bilateral relations had entered a newly positive era. The governments agreed to cooperate on combating drug trafficking and to increase cooperation in education and science. There were also discussions about improving trade relations.

Progress in German-Iranian relations were held up for many months, until January 2000, by the case of German businessman Helmut Hofer, arrested in Iran on charges of sleeping with a Muslim woman. Having been cleared of the original charge through lack of evidence, Hofer was held for a further period on new charges including insulting a prison officer. Upon payment of a fine for this, he was finally allowed to leave Iran and return to Germany. Immediately, expectations were raised that President Khatami would be able to take up an outstanding invitation to make an official visit to Germany.

In the meantime, dialogue has proceeded between Iran and both Greece and Italy at various levels. In November last year a meeting was held in Rome between the speakers of the parliaments of Greece, Italy, Iran and Egypt, at which they agreed to promote an atmosphere of understanding and reciprocity in their respective countries to pave the way for interaction between civilizations.

This last episode is important as an indicator of how Iran's regional and broader international relations may be linked. As I shall now attempt to explain, my digression into European-Iranian relations forms the background to understanding Iran's regional role.

### **Spheres of Interest in Iranian Foreign Policy**

During the 1990s it was possible to discern a trend developing in Iranian foreign relations which was a direct reaction to US efforts to isolate the Islamic Republic. Determined not to be thus isolated, Iran has followed a methodical policy of building working relations in Central Asia, the Middle East and Europe, while also furthering connections in East Asia.

Meanwhile, as Iranians themselves are always keen to point out, they live in a region of instability. From an Iranian perspective, the two neighbours which pose the most concern are Afghanistan to the east and Iraq to the west. Where these two countries are concerned, Iran's posture has been defensive but restrained.

Afghanistan has descended from a battleground for Soviet-American Cold War confrontation into civil war, with the Taleban now in uneasy control of much of the country. For years Iran has been the recipient of Afghan refugees fleeing the conflict and it has lent support to opponents of the Taleban inside the country. However, when Iranian diplomats and a journalist were executed inside Afghanistan, the Iranian government held back from sending in forces to effect reprisals. The last thing they wanted was to be sucked into the maelstrom that is Afghanistan.

Similarly they have learned their lesson with Iraq and also have no wish to see that country disintegrate. They oppose sanctions on humanitarian grounds and have obviously facilitated smuggling. However, in the aftermath of an attack inside Iran by the MKO, based in Iraq, the Iranians seized a tanker purportedly carrying Iraqi oil. There was a message there for those who cared to see it. Iran also plays host to SAIRI, the Iraqi Shia opposition, along with thousands of Iraqi refugees, but there is no indication that Iran contemplates invading Iraq on their behalf.

Iran is allegedly seeking a nuclear weapons capability. When challenged on this, the Iranians are wont to point out that (a) they are signatories of the NPT and CTBT; but (b) they should be free to make their own decisions on this anyway, given the number of dangers they face. Iraq's interrupted nuclear programme and the successful nuclear tests performed by both Pakistan and India are cited to make the point. Israel is not the foremost concern.

Israel is nonetheless on Iran's list of enemies of the revolution, which, by its own rhetoric, Israel clearly is. Yet, it is not just enmity with Israel that prompts Iran to support Hezbollah and Hamas. As members of the Shia community, Hezbollah belongs to the Iranian sphere of interest and responsibility. Hamas more tenuously so. In any case, the help given to these organisations by Iranians these days has much to do with internal Iranian politics. The official position of the President and Foreign Minister in Iran is that they extend only humanitarian aid. They are not actively engaged in sabotaging the peace process, they say, but find themselves unable to condone a process which appears to be denying the Palestinians justice. That said, other elements in the Iranian system are more actively engaged with links to Hezbollah and Hamas and know that they can use these to scupper the agenda of the reformist trend in Iran.

The most important development in Iranian regional relations of late has been the rapprochement with Saudi Arabia. The recent visit to Saudi by the Iranian defence minister marked a broadening of the nascent relationship. Various factors seem to be at play here. A key impetus to improved relations was obviously a common desire to reverse the oil price collapse of a year or so ago. Iran is pumping to near capacity, and so does not have the luxury that Saudi Arabia does of being able to make up in volume what it fails to gain in high prices. However, the Saudis were obviously devastated by the plunge to below \$10 a barrel, and are prepared to use their weight to keep quotas down to where prices average \$20-\$25 a barrel.

Both Tehran and Riyadh also share concerns about the future place of Iraq in the region and in the oil market. In addition, the establishment of amicable relations between them serves to reduce the potential danger that they could otherwise pose to each other. While the Saudis do not want to be on the receiving end of Iranian expansionism, the Iranians want to deprive the Americans of one of their excuses for asserting US military superiority in the Gulf region.

Beyond the Saudi-Iranian rapprochement, there are other developments in Iran's regional relations. Tehran has good relations with all the other GCC states, except for the UAE, where tensions persist over their islands' dispute. It remains to be seen if this can be resolved through the good offices of the other GCC members. Egypt and



Iran have improved their rapport and Jordanian-Iranian relations are friendly. The initiation of a dialogue of civilizations linking Greece, Italy, Egypt and Iran is a perfect indication of how Iran's foreign policy over the past few years is creative as well as practical.

### **Three Scenarios for the Future**

The picture that emerges from the foregoing discussion is of an important regional power in pursuit of its national interests, not of a revolutionary state intent upon the export of Islamic radicalism. Yet, there are still proponents of such an agenda in Iran. Also, the history of US policies toward Iran have left a strong current of suspicion. Even if the younger generation in Iran are showing an appetite for Western culture and consumer goods, they retain a pride in their independence and could not be expected to advocate submission to American regional hegemony. Consequently, the scenarios I posit do not include a revival of the very close US-Iranian alliance that characterized the Shah's era.

#### **Scenario I: A New Strategic Alliance**

Some Iranians are watching the evolution of the Israeli-Turkish alliance with concern but not consternation. Sensing that the intention of these allies is to draw Jordan into their orbit as well as Azerbaijan, they advocate the formation of a separate strategic alliance to counter the Israeli-Turkish one. This could mean the furtherance of ties between Iran, Saudi Arabia and Egypt, with Armenia drawn in to extend the arc into the Caucasus.

What this scenario suggests is that Iran is willing to embrace Arab allies, as part of a regional compact, and is confident that Israel's regional ambitions can be out-manuevered.

This scenario need not rule out some considerable improvement in US-Iranian relations.

## Scenario II: Another Phase in the Confrontation with Imperialism

Anyone watching developments in the Middle East since the 1990-91 Gulf War, cannot but remark on the extension of US power and influence over regional affairs. The guiding principal for US power projection under the Clinton administration has been the designation of friends and foes, allies and so-called 'rogue states.' Friends have been used to aid the confrontation with those designated foes, which, for most of the 1990s, meant Iran, Iraq, Libya and Sudan.

In the coming years, Iran could decide that its principal role is to remain outside the US sphere of influence. This would mean holding the United States at a distance, even if some deals are done with US oil companies. Working relationships would still be pursued with all Arab states except Palestine, for fear of getting near to Israel. However, the notion of making common cause with new allies, as posited in the first scenario, would not apply. Relations with Europe would be nurtured as an alternative to links with America.

Iraq would be better favoured in Iran under this scenario than the first one, but would still not be embraced.

## Scenario III: Revolution Round Two

A third possibility is a revival of conservative fortunes in Iran, which lays the ground for a more belligerent regional posture. This could be fuelled by an adverse US and Israeli reaction to a decision by Iran to demonstrably develop nuclear weapons. Meanwhile, the extension of US military involvement in Central Asia, in alliance with Turkey, could drive Iran into a pact with Russia.

Suppose also that Iran's fortunes are adversely affected by developments in the oil market, possibly including the revival of Iraqi capacity. If the Saudi-Iranian rapprochement then falters, aided by Saudi fears of Iranian military capabilities, Iran could decide its interests are best served by aiding opposition movements, notably Islamic ones, across the Middle East. The reformist trend in Iran would be blunted by

the return of a sense of siege under which all factions would be compelled to unite to face the threat to the nation.

These scenarios are purely speculative and are offered simply as fuel for discussion. This paper has made little or no mention of economic factors and the impact of globalization on the Middle East. A completely different approach to defining Iran's role would be to speculate on how different countries will fare under the challenges posed by globalization. Iran could conceivably do a lot better than many Arab economies, which would enable it to integrate more into the global economy and leave behind the game of traditional power politics. That said, I do not think such a total transformation likely.

iei ISTITUTO AFFARI  
INTERNAZIONALI - ROMA

n° 17 <sup>REV. 20726</sup>  
MAG. 2000

BIBLIOTECA



**FRIEDRICH  
EBERT  
STIFTUNG**

**Conference  
Crises in the Middle East : Palestine and Iraq  
Amman, Radisson SAS Hotel  
10<sup>th</sup> 11<sup>th</sup> May 2000**

**Iran's New Order: Domestic Developments  
and Foreign Policy Outcomes  
BY  
Anoush Ehteshami  
University of Durham**

## **Iran's New Order: Domestic Developments and Foreign Policy Outcomes**

Anoush Ehteshami  
University of Durham

### Introduction

Sea-change is how some commentators have summarised the recent developments in Iran. What has become known today as the Islamic Republic's reformist movement acquired international prominence in the wake of Hojjatolislam Mohammad Khatami's overwhelming victory in the May 1997 presidential poll. Against all the odds and expectations, this mild-mannered cleric's election victory promised to usher in a new era in revolutionary Iran. It is apparent from the record so far of this close confidant of Ayatollah Khomeini and former cabinet minister that his electoral commitments to reforming the system and opening it up to public scrutiny and accountability were very real indeed. Just three years into his presidency, Khatami has not only managed to change and reshape the country's political agenda, introduce new and controversial dimensions to the national debate, but actually shift the geography of the debate to the public arena and allow the population to evaluate and form informed judgements about the very nature of the country's Islamic system of governance.

President Khatami has unashamedly championed reform of the governing system in Iran, proposed comprehensive changes to the country's civil-state relations, and sought to make the Islamic system more in tune with the aspirations of the populace. Observers of modern Iran cannot help but be struck by the historical parallels between Khatami's 'revolutionary' agenda for reform and the two earlier occasions in which the desire for political change had become the country's defining force. The first of these was the 1905/6 Constitutional Revolution, which gave Iran its first taste of 'modernity' and, in the process, brought to an unceremonial end the Qajar dynasty. The second, was Iran's 1979 revolution against the Shah's oppressive regime and his Westernised system of governance. Looking at the two revolutions, despite its early successes the Constitutional Revolution did not manage to institutionalise the aspirations of Iran's modernisers and early democrats. The 1979 Islamic revolution, on the other hand, having given birth to an altogether new and unique political order, was said to be the embodiment of the Iranian people's historic and spiritual aspirations.

Yet, barely twenty years after the revolution we again find Iran in the grips of another period of rapid change and fundamental transformations. This paper will trace the origins and nature of the reform process today and consider some of its consequences.

### Iran in the 1990s

Evolution of Iran's political system in the 90s, marked by some key constitutional reforms in 1989, which followed the end of the Iran-Iraq war and the death of the Ayatollah Khomeini, can be divided into two distinct periods: the pragmatist-reconstructionist Rafsanjani presidency (1989-1997); and, the pragmatist-pluralist Khatami presidency. President Rafsanjani, a seasoned politician, close ally of

Ayatollah Khomeini and a central figure in the Islamic revolutionary elite since the revolution, became Iran's first executive president in 1989, winning 13.5 million out of the 14.2 million votes cast in that year's presidential poll. Despite the customary level of horse trading in appointments to senior posts in contemporary Iran, the make up of Rafsanjani's cabinet largely reflected his administration's objectives: reconstruction of the shattered country and reform of the economy and the bureaucracy. To this end, he assembled a team of largely Western-educated technocrats and social reformers. Indeed, he himself dubbed his team 'the cabinet for reconstruction'.

By any measure then his agenda was a reformist one, albeit largely limited to the reform of the economy and creation of the right conditions for growth. His proposed reforms, which won praise from the conservative forces now opposing Khatami's political and social reforms, hinged on the introduction of sweeping market reforms, privatisation, and structural adjustment. So comprehensive was his brief that his economic reform strategy won the approval of the IMF for its thoroughness and depth.

But in order to succeed, Rafsanjani needed support of the Faqih (Ayatollah Khamenei), which he got, and the Majlis' backing. The Majlis was gradually won over as Rafsanjani slowly dropped his social reform agenda in favour of adopting measures which would move the economy towards the free market system. Support from the Majlis, however, had to be 'engineered', and a pro-economic reform majority from the ranks of the conservative and right-wing forces found. Thus, in the course of the early 1990s Rafsanjani led a successful campaign against the so-called etatist and Islamic leftist and populist forces, which led to their wholesale exclusion from the Fourth Majlis (which begun work in 1992) at a critical time in the reform process. Once in place, the conservatives supported most of the Rafsanjani administration's economic programmes, despite their removal of the architect of the economic reforms (Mohsen Nourbakhsh) from the cabinet, continuing opposition to the liberalisation of foreign trade and unhindered foreign investment, and support for the maintenance of subsidies on certain foodstuffs and primary inputs. In this fashion, the conservative forces gained control of the Majlis, and were to keep it until the Sixth Majlis elections in February 2000.

The price for the Rafsanjani-conservative 'understanding' was the wholesale removal of political and social reforms from Rafsanjani's reform agenda. The fact that Rafsanjani himself entered the Majlis race with the conservative camp and against the Khatami reformers in the Sixth Majlis elections is testimony to the relationship which he had struck with the conservative forces in the 1990s and the gap which had now appeared between him and his reform agenda and that of President Khatami's.

Even more telling has been the very low support that he and his family received from the electorate; his daughter (who has been close to Khatami) was not elected, his brother was not elected and he himself is still struggling to find a way into the Sixth Majlis as a Tehran member of parliament. This is perhaps the sorry end of the first phase of reform in Iran since the late 1980s.

The second period began rather unexpectedly and has been marked by the stunning election victory of Hojjatoleslam Khatami in the presidential poll of May 1997, the

seventh such elections since 1979. His victory marks the second phase of reform in contemporary Iran. His victory shocked the conservative forces and pundits alike. Despite a great media campaign and senior clerical support from the Faqih downwards for the conservative candidate, Iran's youthful electorate and female voters turned their backs on the conservatives and their champion, Speaker of Majlis since May 1992 and a former cabinet minister, Hojjatoleslam Nateq Nouri. The profound rejection of the conservatives is reflected in the election result itself: with some 20 million votes, Khatami secured 69 per cent of the almost 30 million votes cast in the election, compared with Nateq Nouri's figure of just 26 per cent. There were very few strongholds for the conservatives to be identified.

Khatami's victory has become known as the '2<sup>nd</sup> Khordad' movement (the date of the election in the Persian calendar) and is epitomised by his advocating of pluralism and growth and development of Iran's civil society. More specifically, he and some prominent members of his rainbow coalition – which includes the old Islamic leftist-populist forces edged out of the public arena by Rafsanjani in the early and mid-1990s, modernists, technocrats and Islamic liberals – have spoken of the need to introduce large-scale political and economic reforms and the empowerment of the citizen. Detailed policy initiatives have included the call for more personal freedoms, social justice, privacy, tolerance, public participation in the affairs of state, consolidation of the rule of law, an open and free press, establishment of political parties, transparency in government, accountability and end to corruption.

Ironically, in many ways the 2<sup>nd</sup> Khordad movement marks the final de-ideologisation of the Islamic Republic's policies and the policy making processes which President Rafsanjani had championed for much of his term in office. But as subsequent developments testify, Khatami's key success has been his ability to move the reform agenda forward and to associate himself with the deep-felt wishes and desires of the Iranian people.

It is this latter issue which is most interesting, for it is not so much that Khatami is ahead of the people, but, in a manner of speaking, alongside them. All the evidence suggests that it is the majority of Iranian people who are pushing open the doors of debate and reform in the country, egging the reformers on, and, by virtue of asking for a better future, demand change at all levels of society, culture and government. In many ways, it is they and their actions which has given substance to the reforms of the Khatami administration.

#### Development of the 2<sup>nd</sup> Khordad movement

The 2<sup>nd</sup> Khordad movement's aims are clear: to overhaul the Islamic Republic, modernise its structures, rationalise its bureaucracy, and put in place a more accountable and responsive system of government. In short, and not intending to be uncharitable in any way, the movement is looking to turn Iran into more of a 'normal' state, and a force for positive change in the international system. While different groups of the 2<sup>nd</sup> Khordad coalition pursue slightly different priorities, on the whole they are all committed to the process of change championed by Khatami.

In a striking fashion, the team assembled by the president reinforces the reformist nature of his government. Of the 22 cabinet members he presented to the Majlis for ratification in 1997, for instance, no less than seven had PhDs, eight were engineers



(‘mohandes’), and all three clerics had advanced theological degrees. Moreover, one of the three clerical members of his 1997 cabinet, Hojjatoleslam Nouri, was one of the most outspoken members of the new team on social reform.

The 2<sup>nd</sup> Khordad movement consolidated its May 97 gains with victories in the February 1999 municipal elections and the February 2000 elections for the Sixth Majlis. In the former elections, they secured control of virtually every major city and a majority of towns as well. The municipal elections were the first time that Iranian people directly elected their mayors and other local representatives. As such, the municipal elections were the reformists’ first stab at the decentralisation power in a highly centralised state.

In the Majlis elections in the meanwhile, the pro-Khatami list won over 60 per cent of the seats. The 2<sup>nd</sup> Khordad coalition candidates, representing some 20 parties, organisations and groups, took almost all of Tehran’s 30 seats – arguably the most important constituency in the country – and majority of seats in a host of other towns and cities. As this was perhaps the Islamic Republic’s most openly-contested parliamentary elections, we can perhaps draw some lessons from it. First, despite the coalition nature of the reform movement, its candidates were disciplined and all followed the same agenda in their campaigns. Secondly, the reformist candidates scored highly across the country, sometimes replacing popular candidates who had allied themselves too closely with the centrist list which also supported the former president Rafsanjani. The problem for the technocratic centrist camp was the close association of one of their leaders, Rafsanjani, with the conservatives. For this association, the electorate punished the centrist front, despite the fact that many of whose members have had a close relationship with the leaders of the 2<sup>nd</sup> Khordad movement. The elections for the Sixth Majlis, thus, provide anecdotal support for the contention that for the first time in their history the Iranian electorate discovered the meaning of tactical voting, and took great care to ensure that its true spokespersons entered the new Majlis. One final observation is the remarkably small number of clerics who have entered the Sixth Majlis. Their numbers have shrunk from over 150 in the First and Second Majlises in the early and mid-1980s to fewer than half a dozen today. Whether this trend indicates a ‘de-religiosisation’ of the key elected offices of the Islamic Republic, or the regime’s total, and therefore passive, control of the political system remains to be seen. But the clerics’ growing absence from such important bodies as the legislature must be indicative of an still changing and evolving political topology in an avowedly Islamic state.

The 2<sup>nd</sup> Khordad movement’s other major achievement so far has been its ability to modernise and liberalise the media. With over 40 newspapers, weeklies, etc. in circulation until recently, newspaper kiosks across the country have been a hub of activity and debate since the May 97 elections. The reformist newspapers shout the loudest, raise the most important issues in a challenging manner, engage in debate, and dare to criticise authority. Through their sheer audacity, they have managed to break many of the taboos in this largely patriarchal Muslim society. Many of Iran’s recent cultural openings owe much to the efforts of these newspapers. Despite the reformist press’ recent setbacks, therefore, we can conclude that the print media has now established its place as perhaps the most important source of ideas, and an unrestricted forum, for wide-ranging and free debate in the country.

### Iran's foreign policy under Khatami

The changes in Iran were soon underlined by the foreign policy initiatives of President Khatami. Again, while continuing with the pragmatist foreign policy set out by his predecessor, Khatami's first forays onto the international arena were to seal the new tone from Tehran. Within six months of taking office, he had hosted the OIC summit in Tehran, which effectively ended Iran's regional and international isolation, and went a long way towards repairing its relations with the Arab world. Khatami used this important summit to make new friends, and also spell out his domestic and foreign policy agendas to the largest gathering of Muslim leaders in recent times. His successes at this summit was soon followed by his remarkable interview with CNN in January 1998, in which he spoke of the dialogue of civilisations, 'an intellectual affinity with the essence of the American civilisation', and his admiration for the successful mixture of religion and liberty in the US. The interview in itself and its content was remarkable enough, but to really appreciate its magnitude one ought to bear in mind the domestic backdrop to his comments, which had been dominated by the talk of a 'cultural invasion' of Iran by the US and its Western allies, and an 'Zionist-Satanic onslaught' on Islamic Iran. Here was the recently elected president of Iran addressing the world, but far from talking of such threats to his country he chose to speak of the need to reduce tension in international affairs, improve Iran's relations with the rest of the world, and the necessity of establishing dialogue – even with the presumed enemy.

Broadly speaking, three phases can be observed in the international behaviour of Iran since 1989. Each phase is indicative of the changing priorities of the regime at home, reactions to internal developments and, to a lesser degree, of the balance of forces within the Iranian political elite. By the late 1980s military and political developments in the region had forced a reassessment of the rejectionist strategy of the republic. The appointment of the then-Majlis Speaker Rafsanjani as the Commander-in-Chief of the armed forces illustrated the ascendancy of the pragmatists in power and Iran's unconditional acceptance of SCR 598 owed much to his appointment as the C-in-C and his wish to end the war before a complete collapse of the Iranian war effort. This phase in Iran's foreign relations I have termed the re-orientation phase. This immediate post-war period is about the transition from radicalism to accommodation. This period started in earnest in June 1988 and lasted until August 1990, by which time we see the end of the transition to pragmatism and the establishment of the pragmatist line in Iran's foreign policy, the second phase.

The third phase in Iran's post-80s foreign policy emerged with the rise of the 2<sup>nd</sup> Khardad movement. Khatami's foreign policy reinforced the non-ideological aspects of Rafsanjani's foreign policy, but it also went further, preaching compromise, rule of law and moderation. This phase in Iran's foreign policy can suitably be termed the drive for moderation. It is symbolised by Khatami's overtly moderate and non-confrontational approach to foreign policy, the president's declared aim of establishing a 'dialogue of civilisations', and attempts at reaching an 'understanding' with the West (including the United States). In foreign policy terms, the Khatami administration has tried very hard to put to rest the ghosts of the revolution. Thanks to the president's efforts, Iran has managed to make several new friends in a very short period of time after his election, and has rediscovered many old acquaintances as well. Khatami and his policies continue to capture international headlines and keep the West deeply interested in developments in the country. During his first term in

office he has made scores of overseas trips and visited no less than seven countries, higher than any other Iranian leader since the revolution. In the first half of his presidency his travels took him to such non-traditional Iranian destinations as Italy, France and Saudi Arabia, but also to a number of neighbouring countries. Through a number of ministerial contacts, his administration also attempted to narrow the diplomatic gap between it and Egypt, a country which Iran has come to see as a significant player in an increasingly disaggregated Arab world. In return, he has had high level visitors from Austria, Britain, China, the Central Asian countries, France, Iraq, Japan, Jordan, Lebanon Turkey, and Yemen.

With regard to the Gulf region, clearly Iran's pro-GCC strategy has borne some fruit, as seen by its successful courting of Saudi Arabia since 1996. The two countries' defence ministers have met more than once and Iranian naval vessels have visited the Saudi Red Sea port of Jeddah, arguably the country's most strategic maritime facility. But, Tehran still regards Saudi Arabia as an ideological rival, in Central Asia and elsewhere in west Asia, as well as a close ally of the United States. Riyadh also is conscious of the latent threat Iran poses to its interests in the Gulf and beyond, but is more keen at present to develop the friendship with the pragmatic Iranian leadership and carve for itself the role of a mediator in Iranian-American exploratory discussions. With its other large Gulf neighbour, Iraq, Tehran has maintained cordial relations, fairly high level exchanges at the diplomatic level, and mutually advantageous economic contacts.

Looking at the broader context of foreign policy making in Iran, the post-1990 changes in Iran's geopolitical environment and systemic changes since the end of the Cold War have reinforced the oil-weighted tendency in Iranian strategic thinking and the primacy of economics in Iranian foreign policy making. This, however, does not mean that ideology and strategic ambitions have been completely displaced. Iran's leaders have asserted on more than one occasion that the republic's strategic ambitions cannot be realised without the country's economic renewal. Conversely, a weak economic base in the globalised economic system has increasingly been viewed by many Iranian leaders, including Presidents Rafsanjani and Khatami, as a recipe for further peripheralisation.

At the same time, largely thanks to Iran's launching of its post-war Five-Year Plans and its continuing economic crisis, in broad terms the country's foreign policy has come to tally with its economic priorities. In this way economic necessities – need for foreign capital and expertise, trade links, importance of expatriate resources, the need to diversify the economy, etc. – have influenced foreign policy. Thus, in recent years a symbiotic relationship seems to have evolved between economic necessity and Iran's foreign policy. The main feature of this symbiotic relationship can be observed in the behavioural change in terms of Tehran's moderation and its realpolitik policy towards its neighbours and the European powers, and the abandonment, at the formal level at least, of the 'export' of the Islamic revolution.

But, while it is true to say that Tehran has been re-defining its priorities in recent years and has been re-considering Iran's place in the world, it would be unrealistic to expect it to abandon the system's modus operandi, nor indeed to forego its Islamic profile only for the sake of economic gains. One only has to consider Iran's successful involvement with the Islamic Conference Organisation since autumn 1997 to realise

that Tehran will continue to capitalise on Islam in its international profile. This said, it is also possible to argue that while nominally the orientation of the republic remains similar to that advocated by the republic's founding fathers, in practice Rafsanjani and Khatami chose to prioritise the resolution of domestic problems (the first over economic reconstruction and the latter over the strengthening of civil society and the rule of law) over long-term ideological foreign policy posturing.

As already argued, since the mid-1990s, and certainly since 1997, Tehran has tried hard to mend its diplomatic and political bridges and fences in order to enhance its economy and create the conditions for prosperity. Indeed, in many ways President Khatami's administration has made a virtue of Iran's economic ills to argue for more drastic political reforms and the opening up of all sectors of the economy to foreign investment. It is certainly the case that more time is needed before we can truly assess the extent of President Khatami's successes in this regard, but on available evidence we can safely conclude that he has firmly established moderation and 'dialogue' as two of the main principles of Iran's foreign policy.

### Conclusions

Over the last year the relationship between the Khatami camp and administration and the conservatives has become more tense, even violent at times. The conservative's defeat in the May 1997 presidential poll has been overshadowed by their virtual routing in the municipal elections (Iran's first openly contested such elections in its long history), where they failed to secure the control of any significant urban centre, and in the elections for the Sixth Majlis, where the Khatami camp secured a significant portion of the 290 seats in the first round of the elections.

Not surprising then that in recent months, the conservatives have been galvanised into action, thus forcing the departure of several leading reformers and Khatami advisors from the political scene, imprisonment of a number of the key figures in his camp, and the suspension of several pro-Khatami newspapers. While a conservative backlash has been regarded as more or less inevitable by observers, the extent of their fightback, and their methods, continues to cause concern. As Iran's political system is based on the smooth working of a number of competing institutions – the Majlis, the presidency, the ministries, the judiciary, the Expediency Council, the Guardian Council and finally the Faqih's office all have their say – it is feared that the continuing in-fighting will result in a general breakdown, destabilising the entire government machinery and creating fertile conditions for the direct involvement of the military in the political process. There is also concern that the struggle for power will mortally weaken the reformist camp, increase the prospects for more violent encounters between the various factions, and between pro-Khatami students and the security forces, and end in the collapse of the reformist front.

To add fuel to these fires, the highly factionalised environment that the Iranian power elite now finds itself in is sapping away the country's creative energies, compounding the potential political crisis facing President Khatami. In this highly charged situation, the inbuilt system of checks and balances is apparently doing more harm than good to the workings of the system. At heart, therefore, the reforms have not just challenged the conservative's grip on power, but, more fundamentally, have put to the test the very flexibility and adaptability of Iran's post-revolution political system. For the moment, however, the paradox at the core of the Islamic system remains unresolved:

how can a political system which values elections and the will of the people, and enables, allows and digests the rise of such pro-democracy movements as the 2<sup>nd</sup> Khordad – with all its liberal paraphernalia and aspirations – then use imprisonment, archaic rules, forceful closure of the popular media and vengeful attacks as its legitimate tools to silence the reformist challenge? Is the bottle then half full here, or half empty! Are these reforms a new and promising beginning, or the beginning of the end?

What I would conclude with is that in these historic times, Khatami and his team are in the business of trying to end the paradox once and for all, and attempt to tip the scales towards civil society, whether this civil society will have an Islamic face to it or not is no longer a relevant issue, it seems to me.

-----  
Professor Ehteshami is Director of the Centre for Middle Eastern and Islamic Studies and Professor of International Relations at the University of Durham. His most recent publications include, *The Changing Balance of Power in Asia* (1998), *Syria and Iran: Middle Powers in a Penetrated Regional System* (with Ray Hinnebusch) (1997), *Islamic Fundamentalism* (co-editor) (1996), *After Khomeini: The Iranian Second Republic* (1995), and *From the Gulf to Central Asia: Players in the New Great Game* (editor) (1994).

His current research focuses on four projects: the Asian balance of power in the post-Cold War era, the international politics of the Red Sea region, foreign policies of Middle Eastern states since the end of the Cold War, and the impact of globalisation on the Middle East.

iai ISTITUTO AFFARI  
INTERNAZIONALI - ROMA

n° Inv. 20726

17 MAG 2000  
BIBLIOTECA