

at targets in the developing world were largely misplaced. . . ." See Mitchell Reiss and Harald Muller, eds., *International Perspectives on Counterproliferation*, Division of International Studies Working Paper no. 99 (Washington, DC: Woodrow Wilson International Center for Scholars, January 1995), executive summary.

⁴⁶ The U.S. Army estimated that only 25 percent of the Patriot missiles destroyed their targets. See Bowen and Dunn, *American Security Policy in the 1990s*, p. 129.

⁴⁷ Thad Cochran, "Unready for Rogue Threats," *Washington Post*, May 8, 1996.

⁴⁸ Tim Weiner, "Panel Rejects Charges Study Politicized Atom Threat," *New York Times*, December 5, 1996, p. A17.

⁴⁹ Eric Schmitt, "Panel Says U.S. Faces Risk of a Surprise Missile Attack," *New York Times*, July 16, 1998, p. A24. In a letter to Senator James M. Inhofe (R-Okla.) dated August 24, 1998, General Henry H. Shelton, chair of the Joint Chiefs of Staff, stated (contrary to the conclusion of the Rumsfeld Commission) that the United States would have a strategic warning of at least three years to deploy a defensive system in order to counter an ICBM threat from a rogue state.

⁵⁰ For a succinct review of Clinton administration policy see the summary of the "Nuclear Roundtable" meeting with Robert Bell, special assistant to the president and senior director for defense policy and arms control at the NSC, Henry L. Stimson Center, March 18, 1996.

⁵¹ DOD, Office of Public Affairs, *DoD News Briefing*, January 20, 1999.

⁵² "Remarks of Secretary of Defense William Perry at George Washington University," Federal News Service transcript, April 25, 1996, p. 1.

⁵³ The issue of "undeterrable" states is discussed in Janne Nolan and Mark Strauss, "The Rogues' Gallery," *Brown Journal of World Affairs* 4, no. 1 (Winter/Spring 1997), pp. 32-36.

⁵⁴ Cited in National Defense University (NDU), Institute for National Strategic Studies, *Strategic Assessment 1996: Instruments of U.S. Power* (Washington, DC: NDU Press, 1996), p. 203.

⁵⁵ Wassenaar is the town outside The Hague where five rounds of negotiations took place during 1994-95.

⁵⁶ Quoted in Natalie J. Goldring, "Wassenaar Arrangement in Limbo," *British-American Security Information Council [BASIC] Reports*, no. 52, May 13, 1996 (emphasis in original).

U.S. Strategy toward Rogue States (1): Origins and Development

ORIGINS OF THE ROGUE STATE CONCEPT AND POLICY

Throughout history, dissatisfied states—whether revolutionary or revisionist—have rejected international norms and the status quo. This is a normal condition of international relations. Designing effective strategies to deal with such states is a traditional challenge that great powers have faced to maintain the stability of the international system. The post-Cold War era stands in contrast to earlier historical periods when an expansionist great power, such as Nazi Germany or the Soviet Union, threatened to overthrow the existing international order. The contemporary focus of concern is on relatively marginalized states that threaten the stability of their immediate region but not the international system as a whole. Indeed, in one case, North Korea, the country of concern evidences many of the attributes of a "failed state."

Although American policy-makers have used the term "rogue state" in recent years to describe regimes that flout international norms, it is striking to note that the concept has no standing in international law. Rather, as Alexander George has observed, it is a political category employed by one or more great powers with a stake in the maintenance and orderly working of the international system.¹ In current usage, the rogue state designation reflects, specifically, the policy preferences of the United States as the post-Cold War era's preeminent power. Critics of the rogue state concept argue that the term is analytically soft and highly subjective; or, put more bluntly, that it is simply shorthand for a small group of states threatening American interests in key regions. Given the absence of objective criteria rooted in international law, it is not surprising that sharp differences have emerged between the United States and other

countries (including its closest allies) over the implementation of its rogue state policy. To be sure, many abroad (as well as in the United States) have questioned the logic of a policy that relegates Cuba to this demonized category while conspicuously omitting a state like Syria, which is on the State Department's own terrorist list and has active programs for the development of weapons of mass destruction (WMD).

The Syrian case underscores the political (as opposed to legal) basis of the concept. The exclusion of Syria from the roster of rogue states has a political rationale that stems from its importance to the Middle East peace process. During its first term, the Clinton administration actively engaged the Damascus regime in an unsuccessful effort to draw it into a comprehensive peace settlement with Israel. Despite a disturbing pattern of behavior not unlike that of Iran, Syria was not designated a rogue state because so doing would have made such overtures politically difficult, if not impossible. The administration would instead have been pushed toward the adoption of a strategy of comprehensive containment and isolation, as with Iran and Iraq. Indeed, critics of this courting of Syria—an engagement strategy tangibly symbolized during the first Clinton administration by Secretary of State Warren Christopher's twenty-five-odd visits to Damascus in four years—have argued for precisely such a toughening in U.S. policy.² The political selectivity and glaring inconsistencies manifested in the case of Syria raise serious questions about the utility of the rogue state approach. Proponents of the rogue state policy argue that its primary utility is as a mobilization strategy to build political support both domestically and overseas for tough measures to counter the behavior of states like Iran, Iraq, Libya, and North Korea that threaten important American interests. As discussed in Chapter 3, this asserted value of the rogue state policy for mobilization purposes must be judged in terms of its effectiveness in promoting American objectives (e.g., behavior modification) and its costs (notably with America's allies). The salient point, further explored below, is that the rogue state concept arose not from an international legal tradition, but from American political culture and the distinctive approach to international relations derived from it.

The preceding chapter on the nature of the post-Cold War system included an examination of the contending conceptions of international order that have influenced U.S. policy formulation. That discussion highlighted the competing pulls of realism and liberalism in American diplomacy. This traditional tension continues to play out in the post-Cold War era across a range of policy issues from the expansion of the North Atlantic Treaty Organization (NATO) to humanitarian inter-

vention. It has also strongly influenced the debate about rogue states—how such states are identified and the development of strategies to deal with them. Building on and extending the analysis of Chapter 1, the basic issue is whether rogue state or pariah status derives from a regime's *domestic* behavior (i.e., how it treats its own people) or from *external* actions that violate important norms (such as territorial aggression or the use of terrorism).

The liberal and realist schools of political thought offer contrasting perspectives on this question that reflect their underlying assumptions about the conditions of international order. Liberal political theorists and policy practitioners have argued that the key to the central issue in international relations—how to secure peace—lies in the internal organization of states. That view, manifested in the proposition that “democracies don't fight one another,” is at the heart of the Clinton administration's “strategy of engagement and enlargement.” By contrast, the realist school, best exemplified in the post-World War II era by the Nixon-Kissinger foreign policy and whose intellectual roots trace back to Thucydides and Thomas Hobbes, is premised on the core assumption that international order derives from a stable distribution of power between states. Although U.S. diplomatic history has evidenced periodic shifts between realism and liberalism—recall the pendular swing from Nixon to Carter in the 1970s—these changes have been of emphasis, not of one school totally supplanting the other. Both traditions have continually influenced the making of American foreign policy, albeit to varying degrees depending on the administration. The competing pulls of liberalism and realism have fostered distinct approaches to rogue states, with the former emphasizing internal factors and the latter, external behavior.

The contemporary rogue state category can be viewed as an offshoot of the realist tradition of U.S. diplomacy in that it is linked not to the internal organization or national character of those states, but to three criteria of external behavior: first and foremost, the pursuit of weapons of mass destruction; second, the use of international terrorism as an instrument of state policy; and third, a foreign policy orientation that threatens U.S. allies or important American interests in key regions. The focus of this chapter is on the conceptual origins and evolution of the rogue state policy. Of particular note in this context is the shifting use of external and internal criteria for defining such states during the Cold War and post-Cold War periods.

Prior to 1980, the term “rogue” (as well as “pariah” and “outlaw”) in referring to a state was not used widely by either academic analysts or policy practitioners. To the extent such terms were used, it was in refer-

ence to states whose brutal internal repression placed them "beyond the pale." Thus, in a characteristic use of the rogue state concept prior to 1980, the *Washington Post* editorialized, "How does the international community deal with rogue regimes, those that under the color of national sovereignty commit unspeakable crimes against their own citizens? We have in mind not the mass deprivation of rights practiced by police states everywhere but the virtual genocide perpetrated by such regimes as Pol Pot's Cambodia and Idi Amin's Uganda."³ This April 1979 editorial captured the dilemma of competing international norms—the principle of national sovereignty safeguarding states' right against outside interference in their internal affairs versus standards of human rights to protect individual citizens within states. This tension translates into now-familiar terms of debate—witness the Beijing regime's sharp rebuff of U.S. efforts to promote human rights in China. The international community's unified condemnation of the 1990 Iraqi invasion of Kuwait indicates the strong, and understandable, attachment of states to the principle of national sovereignty. The international response to the Kuwaiti invasion stands in sharp contrast to that following the 1978 Vietnamese intervention in Cambodia to drive Pol Pot from power and the 1979 incursion of Tanzanian troops into Uganda in support of anti-Amin forces. The difference in international response stems from the pariah status of the leaders whose countries were the targets of the intervention. In those instances, the international community turned a blind eye to the violation of one international norm—the inviolability of state borders and national sovereignty—in the face of the systematic violation of another through brutal repression and genocide. Pol Pot's Cambodia and Idi Amin's Uganda were the archetypal examples of the rogue, outlaw, or pariah state during the pre-1980 period. They were so considered because of their horrific records of *internal* behavior, not because they posed a threat to their neighbors or engaged in other forms of *external* behavior that undermined international stability. Indeed, it is testimony to their pariah status that the international community virtually acquiesced to interventions by neighboring states to unseat their ruling regimes.

The concept of the rogue state based on internal criteria of behavior, and thus rooted in the liberal tradition of American political thought, was prevalent during the pre-1980 period. During the late 1970s, however, the term "pariah state" was employed by policy analysts in a secondary context to describe a small set of diplomatically isolated states—notably Israel, South Africa, Taiwan, and South Korea—that were

attracted to the nuclear option as a response to their perceived security dilemma. According to political scientist Robert Harkavy, these states shared several characteristics: they were pro-Western in political orientation but isolated from the numerically larger Soviet and Third World political blocs; the legitimacy of their regimes or national status within their defined borders was challenged by one or more powerful adversaries; and they were states reliant largely on a single source of conventional arms, and thus were highly vulnerable in a crisis of cutoffs of spare parts or denials of resupply.⁴ Harkavy concluded that in view of "the pariah states' security situations, it should not be surprising that each would at least consider the acquisition of nuclear weapons as an equalizer. Each pariah has given strong signals—or is the subject of widespread rumors—in regard to an intent to produce nuclear weapons."⁵

In light of this trend, political scientist Richard Betts, writing at the start of the Carter administration, argued that an effective U.S. nonproliferation policy needed to take into account the security incentives that these "pariah states" had in acquiring nuclear weapons. He noted the strong reluctance of President Carter to face up to the contradiction between an "extreme commitment to nonproliferation and his other policy goals" (e.g., curtailing U.S. conventional arms sales). Betts concluded that the Carter administration should develop a mix of nonproliferation options, including security measures addressed to the sources of these states' insecurity, to prevent the "pariahs" from going nuclear. "Let Peking decide whether it prefers a non-nuclear Taiwan, still guaranteed against invasion by the United States, or an abandoned Taiwan with a nuclear crash program."⁶ In the case of another "pariah," South Africa, an authoritative recent study indicates that the Pretoria regime's perception of a deteriorating regional situation in the 1970s (notably the rise of pro-Soviet regimes in Angola and Mozambique) was the major factor underlying its decision to embark on a nuclear weapons program. South African strategy emphasized not the immediate military utility of nuclear weapons, but rather their value as a political instrument. It is highly revealing that South Africa moved to dismantle its nuclear weapons and join the Nonproliferation Treaty (NPT) in 1989–90, when the international conditions that had motivated its nuclear program during the 1970s disappeared with the end of the Cold War.⁷

This secondary usage of the term "pariah state" during the late 1970s did not gain currency outside academic policy circles. In contrast to the current use of "rogue state," the term was not used by the Carter administration to describe these states because their marginalization and

diplomatic isolation was instigated by the Soviet and Third World blocs. Indeed, several of them (Taiwan, South Korea, and Israel) were close U.S. allies, while others (South Africa) were not viewed as a threat to important American interests. This use of the term "pariah state" by academic analysts in the late 1970s to describe nuclear threshold states is particularly noteworthy in that it presaged the conceptual and policy changes of the 1980s by focusing on external as opposed to internal behavioral criteria. As detailed below, the current definition of the term "rogue state" took root in the 1980s and is explicitly linked to threatening external behavior, such as the pursuit of WMD and the use of terrorism as an instrument of state policy. In the 1990s, states that violate their citizens' human rights and engage in other forms of unacceptable internal behavior (e.g., Burma and Nigeria) are the targets of U.S. criticism and, in some instances, unilateral economic sanctions. They are not, however, politically demonized and targeted for strong international action by the American administration with the same energy and commitment as the roster of officially designated rogue states.⁸

In addition to anticipating this important shift from internal to external behavioral criteria of definition, the discussion of pariah states in connection with nuclear proliferation in the late 1970s was also significant because of its focus on the security motivations that those threshold states had in acquiring nuclear weapons. In so doing, it underscored the need to develop a mix of policy instruments as part of an overall non-proliferation strategy that takes those motivations into account. This issue has clear relevance in the transformed international environment of the 1990s, as the United States attempts to deal with a different group of potential proliferators, a subset of which has been characterized by the Clinton administration as rogue states. For example, in devising a policy to counter Iran's clandestine nuclear and chemical weapons program, American policy-makers should acknowledge the core security motivation underlying the Teheran regime's efforts to acquire unconventional weapons: namely, the fact that Iran was itself the victim of Iraqi poison gas attacks during the Iran-Iraq War. In light of that history, an American official privately conceded that he could well understand why an Iranian military planner, looking across the border at a weakened but defiant Saddam Hussein, would want nuclear weapons as an ultimate security guarantee. An American policy that goes no further than denying Iran technology and military capabilities without addressing the security motivation underlying the Teheran regime's pursuit of unconventional weapons is unlikely to succeed. This important question—that is, devis-

ing the appropriate mix of policy instruments (incorporating inducements as well as penalties) to achieve U.S. objectives—will be examined further below.

The immediate origins of the contemporary rogue state policy can be traced to the inauguration by the State Department of its "terrorist list" of countries officially designated by the secretary of state under the Export Administration Act of 1979.⁹ This step marked a heightened U.S. focus on the problem of state-sponsored terrorism that continued under the Reagan administration. In a major speech to the American Bar Association in July 1985, President Reagan identified Iran, Libya, North Korea, Cuba, and Nicaragua as "outlaw governments who are sponsoring international terrorism against our nation. . . . Most of the terrorists . . . are being trained, financed, and indirectly controlled by a core group of radical and totalitarian governments—a new international version of Murder Incorporated."¹⁰ Secretary of State George Shultz, who made the issue of state-sponsored terrorism a recurring theme of his public diplomacy, argued, "States that support and sponsor terrorist actions have managed to co-opt and manipulate the terrorist phenomenon in pursuit of their own strategic goals. It is not a coincidence that most acts of terrorism occur in areas of importance to the West. . . ."¹¹ This strong American rhetoric was backed up by tough action. In April 1986, for example, U.S. military aircraft struck targets in Libya in retaliation for the Muammar Qaddafi regime's alleged role in the bombing of a Berlin discotheque frequented by American military personnel. Reagan administration officials subsequently attributed Libyan quiescence after the raid to its deterrent effect. During the 1980s, support of international terrorism, particularly that targeted against important American interests, became a key defining characteristic of the outlaw (later rogue) state. As earlier noted, this period marked the shift from internal to external behavior as the criteria of "outlaw" status. Thus, the pariahs of the 1970s (e.g., Pol Pot and Idi Amin) were supplanted by new ones, notably Khomeini and Qaddafi, whose "outlaw" status stemmed not from the unacceptable treatment of their own civilian populations but from foreign policy behavior that threatened American interests.

Like the current rogue state policy, the State Department's terrorist list generated charges of political expediency and inconsistency soon after its inauguration. The particularly glaring focal point of this criticism was the 1982 decision to drop Iraq from the list of states supporting international terrorism. This move, which was highly contentious within the U.S. government (pitting the Defense Department against the State De-

partment), reflected the Reagan administration's decision to pursue an engagement strategy toward Iraq to cultivate better relations. It occurred at a time when the Baghdad regime was threatened with defeat in the war that it had initiated with Iran in 1980. As political scientist Bruce Jentleson has persuasively argued, the driving strategic logic behind the administration's "tilt" was captured in the old axiom, "the enemy of my enemy is my friend."¹² Although the action was defended in terms of maintaining a balance of power in the Persian Gulf region and preventing Iranian hegemony, it was also shaped within a political context of American antipathy toward Iran in the wake of the hostage crisis. The continued exclusion of Iraq from the terrorist list after 1982 flew in the face of contrary evidence, such as Iraq's providing sanctuary to Abu Nidal and other terrorist groups. The Reagan administration's flawed strategy toward Iraq was premised on both the perceived need to enter into strategic cooperation with Iraq to counter Iran and the political assessment that Iraqi behavior could be moderated through engagement. This policy of engagement was continued by the Bush administration into 1990 and, in fact, had no moderating effect on Saddam Hussein's behavior (witness his continued support of terrorism and use of chemical weapons against Iranian troops and Iraq's own Kurdish population). It also fostered a permissive multilateral export control regime that permitted Iraq, through open and covert procurement practices, to assemble its astounding arsenal of conventional and unconventional weapons.

In addition to state support for international terrorism, the second key criterion leading to outlaw or rogue designation was the pursuit of WMD. This did not, however, emerge as a defining characteristic until 1989, as the Cold War was entering its final phase and the receding Soviet threat began to be supplanted by others in U.S. defense planning. During the 1980s, the issue of horizontal proliferation of WMD capabilities to Third World states did receive considerable attention. But many of the states of concern were either American allies or countries with which the United States enjoyed close relations, such as Argentina, Brazil, South Korea, and Israel. Indeed, the state that received probably the greatest public attention because of its nuclear weapons program was Pakistan—which was permitting the Afghan mujahideen to operate from its territory and serving as a conduit for American military assistance under the Reagan Doctrine to this anti-Soviet insurgency movement. In defending the Reagan administration's engagement policy toward Pakistan, Assistant Secretary of State Richard Murphy stated, "We believe that our continuing economic assistance to Pakistan not only underpins

our extremely important interests by allowing Pakistan to stand up to Soviet pressure through Afghanistan but also serves to encourage Pakistani nuclear restraint and to undercut any perceived security need for a national nuclear deterrent."¹³ Under the 1985 Pressler Amendment, the president was required to certify annually to Congress that Pakistan did not possess a nuclear weapon.¹⁴ Although the Pakistani case was a major focus of congressional attention, Iraq had by far the worst record of actual behavior with respect to WMD acquisition and use. The United States condemned specific Iraqi actions (such as the March 1988 gassing of the Kurdish town of Halabja), but this did not lead to a reassessment of the overall American approach to Saddam Hussein's Iraq.¹⁵ Actual Iraqi WMD use received less attention than did the suspected Libyan chemical weapons factory at Rabta.

Political scientist Michael Klare, tracing the rise of what he refers to as the American "Rogue Doctrine," notes that by the late 1980s U.S. officials began to link the terrorism and WMD issues in the context of certain Third World states. In his January 1989 Senate confirmation hearings, secretary of state-designate James Baker explicitly did so, stating that "chemical warheads and ballistic missiles have fallen into the hands of governments with proven records of aggression and terrorism."¹⁶ During the Reagan-Bush years, external behavior flouting international norms (i.e., regional aggression, sponsorship or support of terrorism, and the pursuit of WMD capabilities) came to define "outlaw" status. This emerging rogue state policy gained further political momentum, and indeed official status as American policy, during the Clinton administration when National Security Adviser Anthony Lake argued that countries exhibiting this external behavior constituted a class of states.

In reviewing the historical record of the 1980s, the most striking incongruity is that the country that would later be held up as the archetypal rogue state—Iraq—was being courted, not sanctioned, by the Reagan and Bush administrations as part of what later proved to be a flawed engagement strategy toward the Baghdad regime. In fact, Iraq, which was dropped from the State Department's terrorist list in 1982, was not placed back on it until a month after the August 1990 invasion of Kuwait. Iraq, however, was not the only case in which the Reagan and Bush administrations' own criteria of international "outlaw" status were ignored in pursuit of an ill-conceived political gambit to cultivate better relations with a radical regime. In 1985–86, the Reagan administration also initiated a political opening to Iran—another country on the terrorist list that had held fifty-two American hostages for more than a year

and had been implicated in the October 1983 bombing of the U.S. Marine Corps' barracks in Beirut. The currency of this dialogue—a political fiasco that became the Iran-Contra scandal—was American arms that the Teheran regime sorely needed in its ongoing war with Iraq. The underlying rationale for what General Colin Powell characterized as National Security Adviser Robert MacFarlane's "bid for Kissingerian immortality" was both long-term (a geostrategic move to court a major state on the Soviet Union's southern periphery) and immediate (trading American arms for the Khomeini regime's assistance in securing the release of U.S. hostages in Lebanon).¹⁷

In terms of the evolution of the rogue state concept and policy, the 1980s were a crucial formative period in that those years witnessed the emergence of the core criteria, rooted in external behavior, that would later come to define what the Clinton administration characterized as a category of states. At the same time, the failed initiatives toward Iran and Iraq defied the Reagan and Bush administrations' own hard-line policy toward "outlaw" states and generated criticisms (notably during the congressional hearings on the Iran-Contra scandal) of hypocrisy and naïveté in the pursuit of political expediency. As will be seen, the Clinton administration's rogue state policy would similarly encounter charges of political selectivity as it attempted to translate a problematic concept into diplomatic practice.

THE CLINTON ADMINISTRATION

Although the criteria determining rogue status emerged during the 1980s, the policy gained political impetus with the end of the Cold War. This epochal development coincided with another event that would define the new era—the Gulf War. Opinion polls indicated that among the various rationales offered by the Bush administration for the war (e.g., the economic threat posed by Iraqi control of Persian Gulf oil supplies, the moral and legal injunction against interstate aggression) the one that most resonated with the American public was concern about a nuclear-armed Iraq.¹⁸ Since the last war often governs policy-makers' thinking about the next one, it is not surprising that Iraq became the archetype for U.S. defense planners in the wake of Desert Storm. The Bush administration highlighted specific countries of concern, such as Iran, Libya, North Korea, and, of course, Iraq (which was being stripped of its WMD capabilities under the mandate of the United Nations [UN]). But in publicly framing these issues, the Bush administration did not characterize them

as a category of state under the rogue rubric. This continued into the first year of the Clinton administration, after a presidential election in which foreign policy issues received scant attention.¹⁹

The Clinton administration's rogue state policy arose in a curious fashion. The occasion for its emergence was the administration's enunciation of a strategy of "dual containment" toward Iran and Iraq. A specific policy aimed at two radical regimes in a region of vital interest to the United States thus became the vehicle for the articulation of a general policy that grouped a disparate set of countries under the rogue state banner. The application of the "dual containment" strategy toward Iraq and Iran will be examined in detail in Part II. Given the link between the dual containment and rogue state policies, a brief overview of the development of the former would provide the necessary context for a consideration of the latter.

Dual containment was a policy born of frustration. Since the withdrawal of British forces from the Persian Gulf in 1971, the United States had taken on responsibility as the security guarantor of the region. In pursuit of this objective, Washington had followed a balancing strategy aimed at preventing any local power from achieving regional hegemony. During the Nixon-Kissinger years and continuing into the Carter administration, this strategy had entailed a tilt toward the Shah's Iran. Under the Nixon Doctrine, Iran and Saudi Arabia purchased American arms (recycling petrodollars in the process) and became the "twin pillars" of U.S. security policy in the Gulf. With its substantial arsenal, sizable population, and pro-American orientation, Iran was viewed by successive U.S. administrations during the 1970s as the security manager of the Persian Gulf region. This devolution of responsibility was a reflection both of Iran's rise and the realities of American post-Vietnam retrenchment in the Third World. The principal target of this regional strategy in the Gulf was Iraq, which was politically allied with the Soviet Union through their 1972 Treaty of Friendship. This pattern of regional alignments prevailed until the 1979 Iranian Revolution and the advent of a virulently anti-American regime in Teheran. During the 1980s, American policy flipped political polarity. In 1982, the Reagan administration initiated its famous "tilt" toward Iraq, dropping the Baghdad regime from the State Department's terrorist list and making it eligible for American export credits. The move was undertaken at a time when Iraq was faring poorly in the war that it had started with Iran in September 1980. U.S. claims of neutrality were belied by covert military assistance (i.e., permitting third-party transfers of American-licensed equipment) and limited intelligence-

sharing. This tilt toward Iraq was complemented by a concerted American effort under the so-called Operation Staunch to deny Iran arms through an international embargo.²⁰ In mid-1985, however, the Reagan administration contravened its own policy by providing U.S. arms to Iran (via Israel) in return for cash (which was then covertly funneled to the Nicaraguan resistance) and the Tehran regime's assistance in freeing American hostages in Lebanon. When the Iran-Contra scandal became public in November 1986, the Reagan administration had nothing tangible to show from this initiative and the fiasco exposed it to charges of hypocrisy from European allies that Washington had strongly pressed to limit their dealings with Iran.²¹

In the wake of the Iran-Contra affair, U.S. policy reverted to its previous tilt toward Iraq. This change was reflected in the Reagan administration's 1987 decision to reflag Kuwaiti oil tankers and provide them protection against Iranian naval and air attacks. In Washington, the Iranian threat to shipping in the northern Gulf provoked discussion of military options, including a proposal (advocated by then Representative Aspin) to mine Iranian harbors. The adoption of a more bellicose U.S. stance toward Iran was accompanied in mid-1987 by a tough diplomatic line in the United Nations to compel Iran to accept a cease-fire or face mandatory sanctions. When Iran subsequently accepted a cease-fire with Iraq under duress (likened by Khomeini to drinking poison), there was a widespread perception in the Gulf region that American support for Iraq had been a significant factor. The eight-year Iran-Iraq War left the Baghdad regime financially strapped and exhausted but also the dominant military power in the region. This conjunction of financial need, military dominance, and Saddam Hussein's proclivity to strategic miscalculation led to the Iraqi invasion of Kuwait within two years of the cease-fire with Iran. During the period between the end of the Iran-Iraq War in 1988 and the Iraqi invasion of Kuwait in 1990, the Bush administration, even in the face of an increasingly bellicose and provocative stance from Saddam Hussein, remained committed to its engagement policy toward Iraq. This course of events was motivated by the belief that continuing engagement could lead to the moderation of Iraqi behavior and that the Baghdad regime would for the foreseeable future be preoccupied internally with the formidable tasks of postwar reconstruction. The Bush administration's engagement policy came to an abrupt halt with the Iraqi invasion of Kuwait in August 1990 and the ensuing Gulf War of January-February 1991.

The Clinton administration's policy of "dual containment" was essentially a continuation of the comprehensive containment policy that the

Bush administration had pursued toward Iran and Iraq after the Gulf War. After a decade of frustration (notably the failed engagement policy toward Iraq and the "Irangate" fiasco), U.S. policy-makers eschewed the notion that Washington could play off one regional power against the other to maintain balance and stability. The enunciation of the dual containment policy came in a major address by Martin Indyk, senior director for Near East and South Asian Affairs at the National Security Council (NSC), at the Washington Institute for Near East Policy on May 19, 1993. In that speech, Indyk stated,

The Clinton Administration's policy of "dual containment" of Iraq and Iran derives in the first instance from an assessment that the current Iraqi and Iranian regimes are both hostile to American interests in the region. Accordingly, we do not accept the argument that we should continue the old balance of power game, building up one to balance the other. We reject that approach not only because its bankruptcy was demonstrated in Iraq's invasion of Kuwait. We reject it because of a clear-headed assessment of the antagonism that both regimes harbor towards the United States and its allies in the region. And we reject it because we don't need to rely on one to balance the other.²²

Although the "dual containment" rubric created a linkage that later became a persistent source of confusion and contention, Indyk noted the significant difference in American objectives between the two cases. In the Iraqi case, he stated, "Our purpose is deliberate: it is to establish clearly and unequivocally that the current regime in Iraq is a criminal regime, beyond the pale of international society and, in our judgment, irredeemable."²³ The speech did not explicitly state that the U.S. objective was a regime change; it repeated an earlier formulation that Washington sought full Iraqi compliance with UN Security Council resolutions, on the assumption that Saddam Hussein could not meet those requirements while remaining in power. This constituted an implicit policy of rollback. In the case of Iran, by contrast, the focus of the dual containment speech was on objectionable Iranian *external* behavior—its sponsorship of terrorism and support for radical groups seeking to undermine the Arab-Israeli peace process, its efforts "to subvert friendly governments" in the Gulf region, and its sustained effort to acquire WMD. Indyk stated that the Clinton administration was "not opposed to Islamic government in Iran. . . . We do not seek a confrontation but we will not normalize [relations] with Iran until and unless Iran's policies change, across the board."²⁴ He also called for multilateral support for sanctions against Iran, arguing that the failure to do so would have an adverse impact on the regional balance of power: "Iran does not yet face the kind of inter-

national regime that has been imposed on Iraq. A structural imbalance therefore exists between the measures available to contain Iraq and Iran. To the extent that the international community, as a result, succeeds in containing Iraq but fails to contain Iran, it will have inadvertently allowed the balance of power in the Gulf to have tilted in favor of Iran, with very dangerous consequences. That imbalance therefore argues for a more energetic effort to contain Iran and modify its behavior even as we maintain the sanctions regime against Iraq.²⁵

In the months following Indyk's dual containment speech, it was unclear whether this NSC initiative enjoyed support across the administration, particularly at the State Department. At a hearing of the House Foreign Affairs Committee in July 1993, Assistant Secretary of State for Near Eastern Affairs Edward Djerjian declined to characterize U.S. Gulf policy as dual containment, while repeating and elaborating on much that had been in the Indyk speech. This evident reluctance in using the term stemmed from the widespread perception, despite efforts to the contrary, that dual containment meant the pursuit of identical containment strategies toward these two rogue states. The rumor of an NSC-State rift over dual containment prompted Indyk to clarify publicly that his previous statements had been cleared by the State Department and constituted the Clinton administration's official policy toward the Gulf region.²⁶

The new line received an authoritative boost from National Security Adviser Lake in the spring 1994 issue of *Foreign Affairs*. The primary purpose of the article was to elaborate on the dual containment strategy that Indyk had unveiled in his May 1993 speech. At the same time, however, it went beyond the specific issue of U.S. policy toward Iran and Iraq to assert that these countries, along with others evidencing specific behavioral attributes, constituted a generic category of "backlash" or "rogue" states in the emerging post-Cold War order:

Our policy must face the reality of recalcitrant and outlaw states that not only choose to remain outside the family [of nations] but also assault its basic values. There are few "backlash" states: Cuba, North Korea, Iran, Iraq and Libya. For now they lack the resources of a superpower, which would enable them to seriously threaten the democratic order being created around them. Nevertheless, their behavior is often aggressive and defiant. The ties between them are growing as they seek to thwart or quarantine themselves from a global trend to which they seem incapable of adapting.

These backlash states have some common characteristics. Ruled by cliques that control power through coercion, they suppress human rights and promote radical ideologies. While their political systems vary, their leaders share a common antipathy toward popular participation that might undermine the existing

regimes. These nations exhibit a chronic inability to engage constructively with the outside world. . . . They are often on the defensive, increasingly criticized and targeted with sanctions in international forums. Finally, they share a siege mentality. Accordingly, they are embarked on ambitious and costly military programs—especially in weapons of mass destruction (WMD) and missile delivery systems—in a misguided quest for a great equalizer to protect their regimes or advance their purposes abroad.²⁷

The debate that followed the publication of the Lake article focused primarily on the efficacy of dual containment as a strategy, not on the merits of using the "backlash" or rogue rubric to designate a category of states that included Iran and Iraq. For example, the accompanying rejoinder to Lake's article in *Foreign Affairs*, written by political scientist Gregory Gause, was entitled "The Illogic of Dual Containment." Gause argued that "the major flaw in dual containment is the contention that Iran and Iraq can be contained simultaneously." Neither regional power can be contained without the cooperation of the other. Likewise, as demonstrated in the Iraqi invasion of Iran in September 1980, instability and weakness in one invites intervention by the other. He also argued that by isolating both, dual containment could have the unintended consequence of pushing the Teheran and Baghdad regimes into a tactical alliance against the United States and its regional allies.²⁸ Finally, Gause advocated an alternative strategy that would "view the question of Iraq, the pivot around which the geopolitics of the gulf will turn, as an issue for regional consultation, and potentially cooperation."²⁹ This strategy would entail the initiation of a dialogue with the Teheran regime on the grounds that Iran poses a less severe threat than Iraq presents and that Iranian cooperation will be necessary in bringing about a regime change in Baghdad. This alternative of pursuing differentiated strategies toward Iran and Iraq would be a recurring theme in the debate about dual containment.

Although the Lake article did break new ground in articulating the administration's thinking about this new, post-Cold War category of rogue states, the bulk of the article was devoted to the issue of dual containment. At one point in his discussion of "the challenge from Teheran," Lake, referring indirectly to political scientist Samuel Huntington's influential 1993 *Foreign Affairs* article, asserted, "The American quarrel with Iran should not be construed as a 'clash of civilizations' or opposition to Iran as a theocratic state. Washington does not take issue with the 'Islamic' dimension of the Islamic Republic of Iran."³⁰ This line prompted speculation that dual containment was cast in the broader context of containing "backlash states" to insulate the Clinton administration from criticism that its policy was anti-Islamic.

The Lake article remains the Clinton administration's most detailed articulation of its rogue state policy. Since 1994, the term has been used widely by both government officials and policy analysts. It has become an established term in the American political lexicon. One of the earliest instances of its usage came in January 1994, prior to the publication of the Lake article, when President Clinton warned a Brussels audience that "growing missile capabilities are bringing more of Europe into the range of rogue states such as Iran and Libya."³¹ The administration's emerging rogue state policy was consistent with and complementary to its overarching grand strategy encapsulated in the slogan "engagement and enlargement." Foreign policy expert Michael Nacht observes that the administration has offered "a vision of four-tiered structure in contemporary world politics":

The first level contains the democratic and market economy states, all of which have a stake in the current international system; the second includes states such as the former Soviet Union and possibly China that seek, at least to some degree, to join the first tier; the third is a small collection of "rogue states," including Iran, Iraq, Libya, and North Korea, that oppose the current system; and the final group encompasses the "failed states" such as Bosnia and Somalia that have lost the fundamental elements of sovereignty. As a general proposition, the administration is committed to moving (to the extent feasible) all the states in tiers two through four into tier one.³²

In conceptual and historical terms, the Clinton administration's rogue state policy is noteworthy in two respects. First, as discussed in Chapter 1, the intellectual bedrock of the administration's "engagement and enlargement" strategy is the liberal Wilsonian conception that the key to forging a post-Cold War peace is the global extension of democratic political systems. The emphasis here is on the domestic order—that is, how states are constituted internally. The underlying assumption of this school of international relations is that democratic states do not wage war against one another; the proliferation of democracies, in short, extends the zone of peace. The striking aspect of the rogue state concept, as previously noted, is that it is rooted not in the authoritarian, antidemocratic nature of their regimes, but in their external behavior. The concept is a reflection more of the realist than of the liberal political tradition of American diplomacy. Although Lake's article laying out the "backlash state" argument made reference to the odious nature of these regimes, the core considerations that place them into this demonized category are how they relate to the outside world—their support of international terrorism, their pursuit of WMD, their challenge to the regional political order, and

so forth. If the criteria triggering the designation as a rogue state were grounded in terms of the domestic order—how a regime treats its own people—the rogue state list would be much longer and would include a number of American allies in the Third World.

Second, the rogue state approach is a product of America's unique political culture. It reflects the traditional Manichean streak of American diplomacy in which international affairs is cast as a struggle between forces of good and evil. This deeply rooted belief is at the core of what sociologist Robert Bellah describes as America's "civil religion."³³ In the post-World War II period, this characteristic contributed to the Cold War's virulence (and, indeed, had a mirror image in Soviet communism's own millennial propaganda); thus, the Truman Doctrine cast the U.S.-Soviet competition not in traditional balance-of-power terms, but as an all-out clash between "alternative ways of life." With the end of the Cold War and the demise of the former "evil empire," the rogue states have become the objects of American demonology. This approach to foreign policy stands in contrast to that of others, such as America's European allies, who view international relations as a competition more between interests than between values (hence former French president Charles de Gaulle's oft-quoted observation that states do not have friends, just interests). In large part, it explains why Washington's approach to dealing with countries of concern such as Iran has often put the United States at odds with its close allies. Regimes that the United States views as "beyond the pale" are engaged by others who argue that "critical dialogue" will yield better results in terms of ameliorating their objectionable external behavior. The emergence of the rogue state policy as a central component of U.S. post-Cold War strategy should be seen as a product of a deeply rooted American political culture. The Clinton administration has demonized the rogue states as part of its political strategy to mobilize broad domestic support for tough action against them. In addition, the policy has received political impetus from influential domestic constituencies that advocate strong measures against specific states under the Clinton administration's rogue state rubric (e.g., the Cuban émigré community for Cuba, the families of the victims of the bombing of Pan Am flight 103 for Libya, the American-Israeli Public Affairs Committee [AIPAC] for Iran). This linkage between foreign policy and domestic politics is a key determinant of the administration's rogue state policy.

Following the publication of the Lake's article in spring 1994, the term "rogue state" gained wide currency. It was frequently used by senior Clinton administration officials, including the president, in describ-

ing the range of security challenges (e.g., ethnic conflict, terrorism) facing the United States in the post-Cold War era. The administration invoked the term to mobilize domestic and international support for major multilateral arms control measures; it forcefully argued that the international community's extension of the NPT in May 1995 and the Senate's ratification of the Chemical Weapons Convention in April 1997 would reinforce the international norm against proliferation and make it more difficult as a practical matter for rogue states to acquire WMD because of these treaties' export control regimes. In Congress, proponents of a national missile defense system have argued that this program is necessary to defend the country against possible long-range ballistic missile attack by a rogue state early in the twenty-first century. These examples reflect the growing acceptance of the rogue state rubric as a term of reference in the American policy debate. The purpose of this study is not to take issue with particular policy issues, such as the desirability of ballistic missile defense. Rather, it is to highlight the policy distortions that stem from this artificial lumping of disparate states and hinder the ability to realize the discrete U.S. objectives with respect to these countries individually.

As previously noted, the Clinton administration's rogue state policy was an outgrowth of its "dual containment" strategy toward Iran and Iraq. Lake's elaboration of the dual containment strategy in *Foreign Affairs* became the occasion for the enunciation of this more general policy framework encompassing additional states (specifically, North Korea, Libya, and Cuba). The policy toward Iran and Iraq—comprehensive containment and isolation—set the policy tone and pattern for the others. The United States pursued this policy multilaterally with its close allies in the cases of Iraq and Libya, and unilaterally vis-à-vis Iran and Cuba. It did so despite the fact that American objectives with respect to these regimes varied significantly: for Iran, the avowed U.S. objective has been the moderation of objectionable Iranian behavior; in the case of Iraq, the goal (notwithstanding earlier State Department euphemisms about merely seeking Baghdad's compliance with Security Council resolutions) is to oust Saddam Hussein from power. The sole exception to this pattern of comprehensive containment and isolation, of course, has been North Korea. As will be examined in detail in Chapter 6, the North Korean case was the major point of departure in which the Clinton administration integrated a limited engagement component into its containment strategy (through the October 1994 Agreed Framework) to address the pressing danger of Pyongyang's advanced nuclear weapons program.

The primary instrument of the Clinton administration's rogue state policy has been economic sanctions to ratchet up the pressure on these radical regimes. They have proved a blunt instrument of questionable effectiveness in furthering U.S. policy objectives—whether in compelling a change in behavior (e.g., Iran) or promoting a regime change (e.g., Iraq and Libya). During the administration's first term, the White House adopted a series of measures to strengthen the U.S. sanctions regime against rogue states at the urging and occasional instigation of the Congress. Two key pieces of legislation by which this was accomplished were, first, the Cuban Liberty and Democratic Solidarity Act of March 1996, commonly referred to as the Helms-Burton Act after its congressional sponsors, Senator Jesse Helms (R-N.C.) and Representative Dan Burton (R-Ind.); and second, the Iran-Libya Sanctions Act (ILSA) of July 1996, sponsored by Senator Alfonse D'Amato (R-N.Y.). Both acts include provisions for the United States to impose "secondary" or extraterritorial sanctions against foreign commercial entities doing business with these rogue states. These congressional initiatives transformed the politics of the rogue state issue by shifting the terms of debate—that is, from pressuring the targeted regimes in Teheran, Tripoli, and Havana to punishing businesses based in London, Paris, and Frankfurt. In the process, it exposed probably the most significant rift in the transatlantic relationship since the end of the Cold War. The International Institute for Strategic Studies' *Strategic Survey* aptly characterized the controversy: "It would be misleading to conclude . . . that the transatlantic dispute over rogue states is simply a difference in analysis, and that the respective positions on the issue could be just as easily reversed. In fact, the U.S. and European positions have just as much to do with their own domestic politics, economic interests and political cultures as with a genuine policy dispute."³⁴

The inclusion of Cuba on the Clinton administration's roster of rogue states has been particularly contentious and anomalous. Even if one accepts the rogue state concept on its own terms, the Cuban case does not fit the criteria.³⁵ Indeed, the Clinton administration itself has only episodically included Cuba in its rogue state list. For example, while included in Lake's article, Cuba was not part of the core group (comprising Iran, Iraq, Libya, and North Korea) for which the United States sought the strictest possible export controls in the international negotiations leading to the creation of the Wassenaar Arrangement.

The inclusion of Cuba was largely driven by American domestic politics. When the Helms-Burton Act was signed into law by the president, ob-

servers were quick to point to the impending presidential election and the importance of Florida and New Jersey, with their sizable Cuban-American populations and forty electoral votes. The administration's eventual embrace of the Helms-Burton Act, in fact, marked a reversal from its prior policy orientation toward Cuba, which had held open the possibility for dialogue and engagement as a means of positively influencing that country's internal evolution. In April 1995, for example, the Clinton administration indicated its willingness to respond to economic reforms in advance of desired political reforms by Fidel Castro: "We are prepared to reduce sanctions in carefully calibrated ways in response to significant, irreversible change in Cuba," Assistant Secretary of State Wendy Sherman told a House committee.³⁶ This policy trend was abruptly reversed in late February 1996 when Cuba downed two civilian aircraft manned by Cuban-American émigrés over its territory. That event fundamentally altered the politics of the Cuban sanctions issue in Washington. Thereafter, the administration worked with Congress to craft tougher sanctions.³⁷ In that negotiating process, the White House was able to ensure that the Helms-Burton Act included a waiver provision to maintain the president's flexibility; the waiver was a tacit signal to U.S. allies of the administration's intent to limit the bill's political fallout. (This fueled congressional criticism that the administration was trying to have its Cuban policy both ways.) The Canadian, Mexican, and European governments declared the act's extraterritorial sanctions illegal and passed laws of their own allowing their companies to retaliate if the United States invoked sanctions. The danger that this dispute might escalate further was highlighted when the European Union (EU) threatened to seek legal recourse in the World Trade Organization.

The transatlantic dispute over Cuba paled in significance and degree of acrimony to that over Iran. The Clinton administration's dual containment policy was an indicator of its antipathy toward the Teheran regime. The fact that the policy's avowed objective was to change Iranian behavior rather than the regime itself (as with Iraq) was less a statement of Washington's preference than its recognition of the reality of the Islamic Republic's political durability. The administration's hard-line approach was reportedly led by Christopher, who had been the Carter's administration's negotiator in the 1979–81 hostage crisis. Unlike Cuba, Iran fit the administration's rogue state criteria—it used terrorism as an instrument of state policy, was illicitly attempting to develop WMD, and threatened the stability of neighboring regimes in a region of vital interest to the United States. In contrast to the American policy of compre-

hensive containment and isolation, the EU sought to moderate Iranian policy through "critical dialogue" and trade. The Europeans claimed that the United States exaggerated the Iranian threat and that its policy of expanding commercial relations offered a way to give Iran a stake in the international economy and thereby foster its resocialization (to use George's term). The Clinton administration and congressional leaders condemned this as a policy, rationalized on mercantilist grounds, that was all carrot and no stick.

Early in its first term, the Clinton administration had signaled a U.S. willingness to pay an economic price for its hard-line policy by rejecting proposals to permit the sale of Boeing 737 aircraft and American-made heavy trucks to Iran. The Europeans, however, pointed to a loophole in the law that permitted U.S. oil companies to purchase Iranian oil and sell it in non-American markets; this inconsistency, in effect, made the United States one of Iran's largest trade partners. On April 30, 1995, President Clinton closed this loophole and declared a total ban on U.S. economic relations with Iran. The decision scuttled a deal signed a month earlier between the U.S. oil company Conoco and Iran for offshore oil exploration.³⁸ Two other developments shaped the context of Clinton's pronouncement: the January 1995 announcement of a \$1 billion deal between Russia and Iran for the purchase of civil nuclear reactors, and Palestinian terrorist attacks in Israel in March 1995 that were hailed (if not sanctioned, as some claimed) by the Teheran leadership. Defending the administration's decision, Christopher portrayed Iran as an "outlaw state" and urged American allies to follow Washington's lead. Administration officials argued that its tough action raised U.S. credibility on the issue and permitted President Clinton to press Russian president Boris Yeltsin (albeit to no avail) at their May 1995 summit meeting to forego his government's nuclear deal with Iran. A telling sign of American diplomatic isolation over policy toward Iran was the fact that the Clinton administration did not seriously consider raising the issue of economic sanctions in a multilateral forum, such as the Security Council.

The Clinton administration's policy toward Iran was not only motivated by external developments, such as Middle East terrorism and Russian nuclear commerce. As with Cuba, it was also powerfully influenced by U.S. domestic politics. The decision to impose a total trade embargo came amid congressional calls for still-stronger action, including the imposition of secondary sanctions on foreign companies doing business in Iran. This congressional pressure steadily increased during 1995–96 as American allies rejected Washington's hard-line approach in favor of

continued "critical dialogue" with the Teheran regime. Attempting to head off new legislation, a senior Clinton administration official argued, "It's one thing to lead by example. But to try to impose a secondary boycott on others who won't go along is totally counterproductive and harms other interests as well."³⁹ When it appeared that new legislation sponsored by D'Amato (with the strong lobbying of AIPAC) would be overwhelmingly approved by Congress in 1996, the administration adapted its tactics: it entered into negotiations with the key congressional actors to limit the scope of any new legislation to just the energy sector and to include a waiver provision to maintain presidential flexibility. As these negotiations entered their final phase, the scope of the proposed sanctions legislation was expanded to include Libya. Senator Edward Kennedy (D-Mass.) sponsored this amendment to the D'Amato bill in response to a plea from the families of victims of Pan Am flight 103 to punish Libya for its complicity in the bombing and, specifically, to compel the Qaddafi regime to turn over two Libyan suspects for trial.⁴⁰ (Multilateral sanctions through the Security Council affected only air travel to and from Libya.) The ILSA received overwhelming congressional approval and was signed into law by President Clinton on August 5, 1996. The law requires the president to impose sanctions on foreign firms that invest \$40 million (reduced to \$20 million in August 1997) or more in the Iranian or Libyan oil and natural gas industries. As with the earlier passage of the Helms-Burton Act, the EU and other allies condemned the ILSA as an illegal extraterritorial extension of American sanctions law and threatened retaliation.

As the transatlantic dispute over Iran escalated during 1995-96, the Clinton administration struggled to maintain allied support for the other leg of its "dual containment" policy: the comprehensive containment and isolation of Iraq through multilateral sanctions. Since those sanctions were imposed on Iraq during the Gulf War by the Security Council, where the United States holds a veto, the Clinton administration has been able to forestall efforts by France and Russia to weaken or lift them. Unlike Iran, no one has advocated "critical dialogue" and engagement with Iraq (notwithstanding visits to Baghdad by European oil and construction companies to position themselves for the post-sanctions era). But concerns have been raised about the dire impact of sanctions on the Iraqi people and the unexpected political durability of Saddam Hussein more than eight years after his regime's decisive defeat in the Gulf War. These concerns, in turn, have raised questions about the efficacy of the American strategy and, in particular, about what one administration of-

ficial referred to as the "endgame": how to achieve the Clinton administration's avowed goal (reaffirmed by Secretary of State Madeleine Albright in a March 1997 speech) of bringing about a change in the Iraqi regime. As examined in Chapter 4, the absence of an "endgame" in U.S. strategy has heightened the political fissures within the allied coalition (and the broader Security Council consensus) that have existed since the Bush administration forged it in 1990-91. Saddam Hussein has proved adept at exploiting these fissures; the October-November 1997 crisis instigated by Saddam Hussein's expulsion of United Nations Special Commission (UNSCOM) inspection teams highlighted the sharp division in the Security Council between the United States and Britain, on the one hand, and Russia and France, on the other, with the latter two prominently opposing the Clinton administration's threatened use of force to resolve the crisis.

During the first year of the Clinton administration's second term, its rogue state strategy came under mounting pressures that called into question its coherence and efficacy. Most prominent among these concerns was the growing view in the policy community that "dual containment" was a strategic dead end. A 1997 Council on Foreign Relations task force concluded, "U.S. policy toward the states of the Persian Gulf is at an impasse. Maintenance of the policy known as dual containment concerning Iraq and Iran is producing uneven results, not all of them positive from the point of view of either U.S. interests or those of our friends among the Gulf states."⁴¹ In drawing this conclusion, the Council's task force advocated that dual containment be supplanted by a strategy of "differentiated containment" better targeted to these countries' particular circumstances and the varying U.S. objectives toward them (i.e., behavior modification versus regime change).

Events in 1997 underscored these differences and punctuated this and other calls for a rethinking of U.S. strategy in the Persian Gulf. Perhaps the most significant of these developments was the election of Iranian president Mohammed Khatami over his hard-line, radically anti-Western opponent in May 1997. The impact of this "interesting development" (as President Clinton termed the electoral outcome) on Iranian foreign policy remains an open question; but the fact of the election itself, even if contested among candidates politically vetted by the clerical regime, holds out the possibility of change. Iraq, by contrast, remains a totalitarian state in which political discourse is nonexistent: a liberally interpreted law that makes insulting the president a capital offense gives new meaning to the term "cult of personality." Moreover, as evidenced in his con-

tinued defiance of the UN arms inspection regime, Saddam Hussein remains committed to the acquisition of WMD as a means of furthering his goal of regional dominance. Thus, developments during 1997 pointed to potentially significant differences between Iraq and Iran that argued for discrete strategies as an alternative to dual containment.

One notable, if qualified, area of success for U.S. policy was in its relations with North Korea. During 1996–97, the U.S.–North Korean Agreed Framework, with its structure of reciprocal steps, continued to be successfully implemented. The construction of two proliferation-resistant light-water nuclear reactors in return for the shutdown of North Korea's existing nuclear facilities occurred even as the Pyongyang regime's domestic economic crisis deepened. Although North Korea was designated by the Clinton administration as a rogue state, the Agreed Framework marked a significant departure from the policy's default strategy of comprehensive containment and isolation. As examined in Chapter 6, the integration of a limited engagement component into the U.S. containment strategy toward North Korea was necessitated by the imminent danger of its mature nuclear program and the absence of better alternatives (including military options). The administration's ability to negotiate this shift was hampered by its designation of North Korea as a rogue state, as congressional critics condemned this limited engagement as tantamount to appeasement. The Clinton administration's mixed record of success with North Korea, Iran, and Iraq highlights the deficiencies of generic approaches to strategy, such as that stemming from the rogue state concept. As examined in the next chapter, it points to the need for the development of a repertoire of strategies of "differentiated containment"—what George refers to as "actor-specific models"—to address the distinct challenges posed by this diverse group of states.

NOTES

¹ Alexander L. George, *Bridging the Gap: Theory and Practice in Foreign Policy* (Washington, DC: United States Institute of Peace Press, 1993), pp. 48–49.

² For a detailed discussion of this case see U.S. House, Committee on International Relations, "Syria: Peace Partner or Rogue Regime?" (104th Cong., 2nd sess., 1996).

³ "Rogue Regime" (editorial), *Washington Post*, April 3, 1979, p. A18.

⁴ Robert Harkavy, "Pariah States and Nuclear Proliferation," *International Organization* 35, no. 1 (Winter 1981), pp. 136ff.

⁵ Robert E. Harkavy, "The Pariah State Syndrome," *Orbis* 21, no. 3 (Fall 1977), p. 640. Political scientist George Quester uses the term "outlaw states" in discussing the same phenomenon in *What's New on Nuclear Non-Proliferation* (Aspen, CO: Aspen Institute for Humanistic Studies, 1975); cited in Harkavy, "Pariah State Syn-

drome," p. 624. In a 1971 study, Yehezkel Dror, an Israeli analyst, warned of the danger posed by radical "crazy states," such as Libya, and argued that Western policy should aim "to hinder emerging crazy states from developing a significant external-action capability" (i.e., to deny them the ability to project force or acquire unconventional weapons); see Dror, *Crazy States: A Counterconventional Strategic Problem* (Lexington, MA: D.C. Heath, 1971), p. 77.

⁶ Richard K. Betts, "Paranoids, Pygmies, Pariahs and Nonproliferation," *Foreign Policy* 26 (Spring 1977), pp. 182–83.

⁷ For a detailed analysis of the South African case see Mitchell Reiss, *Bridled Ambition: Why Countries Constrain Their Nuclear Capabilities* (Washington, DC: Woodrow Wilson Center Press, 1995), pp. 7–43.

⁸ A notable exception to this general pattern was Yugoslavia, whose brutal repression of the Albanian minority in Kosovo prompted the NATO bombing campaign of March–June 1999 to compel the withdrawal of Serbian forces from the province and permit the entry of a NATO-dominated peacekeeping force. A key factor in the decision to undertake this humanitarian intervention was the proximity of Kosovo to NATO countries. Although Yugoslav president Slobodan Milosevic was indicted as a war criminal, the Clinton administration, interestingly, did not designate Yugoslavia a rogue state.

⁹ The State Department's Office of the Coordinator for Counterterrorism publishes the "terrorist list" in its annual publication, *Patterns of Global Terrorism* (Washington, DC: U.S. Government Printing Office [GPO]).

¹⁰ *Public Papers of the Presidents: Ronald Reagan, 1985* (Washington, DC: U.S. Government Printing Office [GPO], 1986), p. 879.

¹¹ George Shultz, "Terrorism and the Modern World," *Bulletin* (U.S. Department of State) 84 (December 1984), p. 13. Shultz, in the same speech, condemned the Soviet leadership for its "empty rhetoric" condemning "state terrorism" while "conviv[ing] with terrorist groups when they think it serves their own purposes."

¹² Bruce Jentleson, *With Friends Like These: Reagan, Bush, and Saddam, 1982–1990* (New York: Norton, 1994), pp. 52–53.

¹³ Ambassador Richard Murphy's statement before the Subcommittee on Asian and Pacific Affairs of the House Foreign Affairs Committee on July 22, 1987, reprinted in U.S. Senate, Committee on Governmental Affairs, "Nuclear Proliferation Factbook" (103rd Cong., 2nd sess., 1994), p. 149.

¹⁴ The Pakistani case is examined in Reiss, *Bridled Ambition*, chapter 5. Pakistan was certified under the Pressler Amendment criteria in 1986–89 by the Reagan and Bush administrations. In 1990, the Bush administration could not provide this certification and aid was suspended.

¹⁵ Jentleson, *With Friends Like These*, p. 77.

¹⁶ Quoted in Michael Klare, *Rogue States and Nuclear Outlaws: America's Search for a New Foreign Policy* (New York: Hill and Wang, 1995), pp. 26–27.

¹⁷ Colin Powell with Joseph E. Persico, *My American Journey* (New York: Random House, 1995), p. 305.

¹⁸ Richard A. Melanson, *American Foreign Policy Since the Vietnam War: The Search for Consensus from Nixon to Clinton* (Armonk, NY: M. E. Sharpe, 1996), pp. 236, 245.

¹⁹ See, for example, the testimony of CIA Director Robert Gates before the Senate Governmental Affairs Committee on January 15, 1992, in U.S. Senate, Committee on Governmental Affairs, "Weapons Proliferation in the New World Order" (102nd Cong., 2nd sess., 1992), pp. 5–15. In addition to regional issues, Gates's testimony focused prominently on the implications for nonproliferation of the breakup of the Soviet Union. See also CIA Director James Woolsey's testimony of February 24,

1993, published in U.S. Senate, Committee on Governmental Affairs, "Proliferation Threats of the 1990s" (103rd Cong., 1st sess., 1993), pp. 8-18.

²⁰ See Jentleson, *With Friends Like These*, pp. 44-47.

²¹ In the wake of the Gulf War, the *New York Times* ("Arms Policy: Dodges, Winks and Nods" [editorial], April 25, 1992, p. A22) criticized American policy that in the 1980s turned a blind eye to (and indeed encouraged) transfers of U.S. equipment to Iran (by Israel) and Iraq (by Saudi Arabia), depending on which regional power Washington was then cultivating: "The list of forbidden recipients of U.S.-made weapons during the Reagan and Bush Administrations reads like a roster of the world's chief troublemakers. U.S. law forbade sending them American arms. Yet for almost a decade, the two Administrations circumvented the law with covert transfers."

²² Martin Indyk, "Challenges to U.S. Interests in the Middle East: Obstacles and Opportunities," *The Sorel Symposium* (Washington, DC: Washington Institute for Near East Policy, May 18-19, 1993), p. 4. A month before the Indyk speech Elaine Sciolino, chief diplomatic correspondent of the *New York Times* wrote, "Past Administrations routinely looked at [Iran and Iraq] as players in a balancing act, historic rivals that could be . . . used against each other to insure that one did not become too strong at the expense of the other. . . . Now the Clinton Administration argues that neither regime should be strengthened and that each should be dealt with as a separate problem—a sort of parallel containment." See Sciolino, "Taking on Iran and Iraq, but Separately," *New York Times*, April 11, 1993, section 4, p. 4.

²³ *Ibid.*, p. 5.

²⁴ *Ibid.*

²⁵ *Ibid.*, p. 6.

²⁶ See Kenneth Katzman, *Iran: U.S. Containment Policy*, Congressional Research Service (CRS) Report for Congress no. 94-652F (August 11, 1994), pp. 5-6, for a discussion of the development of the dual containment policy.

²⁷ Anthony Lake, "Confronting Backlash States," *Foreign Affairs* 73, no. 2 (March/April 1994), pp. 45-46.

²⁸ F. Gregory Gause III, "The Illogic of Dual Containment," *Foreign Affairs* 73, no. 2 (March/April 1994), p. 60. The Lake-Gause exchange is discussed in Katzman, *Iran: U.S. Containment Strategy*, p. 5.

²⁹ Gause, "The Illogic of Dual Containment," p. 64.

³⁰ Lake, "Confronting Backlash States," p. 52.

³¹ Bill Clinton, "Remarks to Future Leaders of Europe in Brussels," January 9, 1994, in *Public Papers of the Presidents: William J. Clinton, 1994* (Washington, DC: GPO, 1995), p. 11.

³² Michael Nacht, letter to the editor, *Foreign Policy* 109 (Winter 1997-98), p. 18L.

³³ Robert N. Bellah, "Civil Religion in America," *Daedalus* 96, no. 1 (Winter 1967), p. 7.

³⁴ International Institute for Strategic Studies, *Strategic Survey 1996/97* (London: Oxford University Press, 1997), p. 47.

³⁵ Although Cuba remains on the U.S. list of terrorist nations, the State Department's 1996 annual report said there was no evidence directly linking the Castro regime to terrorism; see Tim Weiner, "Terrorism's Worldwide Toll Was High in 1996, US Report Says," *New York Times*, May 1, 1997, p. A9.

³⁶ George Moiffett, "To Befriend or Not Befriend Cuba? US Takes Up a Loaded Question," *Christian Science Monitor*, May 19, 1995, p. 5.

³⁷ The key provisions of the Helms-Burton Act would sanction foreign firms for profiting from or otherwise using property expropriated by the Castro regime following the 1959 revolution.

³⁸ As will be discussed in Chapter 5, Iranian president Hashemi Rafsanjani asserted that the Clinton administration missed an opportunity to improve relations with Iran when it vetoed the Conoco deal. Most Western experts on Iran, however, question whether the Teheran regime would have been able to overcome its own formidable domestic impediments to such a shift.

³⁹ Robert S. Greenberger, "Iran Creates Fresh Problems for the White House with Sen. D'Amato Adding Pressure of His Own," *Wall Street Journal*, September 1, 1995, p. 8.

⁴⁰ Opposition to the inclusion of Libya in the sanctions bill vanished after the crash of TWA flight 800 in July 1996 and the widespread belief that a terrorist bomb had downed it. Representative Benjamin Gilman (R-N.Y.), chair of the House International Relations Committee, told his colleagues, "We should have in place the strongest possible deterrent to any future acts of terrorism supported by such rogue regimes as Iran and Libya." Quoted in "Airplane Crash Spurs Clearance of Iran, Libya Sanctions Bill," *Congressional Quarterly* 54, no. 30 (July 27, 1996), p. 2133.

⁴¹ Zbigniew Brzezinski, Brent Scowcroft, and Richard Murphy, *Differentiated Containment: U.S. Policy toward Iran and Iraq—Report of an Independent Task Force* (New York: Council on Foreign Relations, 1997), p. 19.

By this utilitarian criterion for judging a strategy, the rogue state approach can be critiqued on three grounds. First, American policy-makers have been *politically selective* in their designation of certain regimes as rogue states. Second, the approach *limits strategic flexibility* when circumstances warrant a shift; the generic label (and the demonization that accompanies the rogue state designation) makes its very difficult politically for policy-makers to adapt U.S. strategy to changing conditions. And third, the generic rogue state policy incurs *high political costs* with U.S. allies that outweigh its utility. Proponents of the policy dispute these criticisms and further argue that it has been instrumental in *mobilizing political support*, both domestic and international, for tough action against these rogue states that would not have occurred otherwise.

Political Selectivity

The discussion in Chapter 2 of the evolution of the rogue state policy revealed it to be an American phenomenon—the product of a unique political culture that depicts international relations as a moral struggle between forces of good and evil. Although the term has gained wide currency among U.S. policy-makers to describe an apparent category of states, it has been criticized at home and overwhelmingly rejected abroad.² The primary basis of this criticism is that the rogue state rubric is an American political pejorative that has no standing in international law. As discussed above, the Clinton administration's designation of rogue status on a country is based on three key criteria rooted in that regime's external (i.e., foreign policy) behavior: the acquisition of weapons of mass destruction (WMD), the use of terrorism as an instrument of state policy, and efforts to threaten or destabilize neighboring states. Given its subjective nature and use as a malleable instrument, the rogue state policy is susceptible to charges of political selectivity.

The charge of political selectivity is not new to American policy. During the 1980s, the Reagan administration's policy of "constructive engagement" toward South Africa was condemned by critics who noted that the Pretoria regime had an active program to develop nuclear weapons and was destabilizing neighboring Mozambique and Tanzania through military intervention and terrorism. In short, South Africa shared the same characteristics that the administration used to justify a policy of containment and isolation toward other states. The factors accounting for this difference in approach between South Africa and the members of what President Reagan referred to as "Murder Incorporated" (Iran,

U.S. Strategy toward Rogue States (2): Assessment and Alternatives

ASSESSING THE POLICY

The preceding chapters examined the evolution of the rogue state concept and policy and its emergence as a central element of American foreign policy in the post-Cold War era. Among other themes, that discussion highlighted how the criteria determining rogue state status shifted from domestic to foreign policy behavior after 1979. Another important contextual point is that in contrast to the Cold War period, when the United States faced a global superpower rival in the Soviet Union, countries on the current roster of rogue states are notable for their weak and marginalized status. This asymmetry of power is an important factor that conditions U.S. policy toward these regimes. This chapter, building on that preceding analysis, will focus on the central argument of this study—namely, that the rogue state approach distorts U.S. policy and undermines its effectiveness by lumping a disparate group of countries under this pejorative rubric. In so doing, it leads to a generic approach to policy-making that obscures the particularities of individual cases and reinforces the false dichotomy between "containment" and "engagement." The first half of this chapter will elaborate on this critique of the rogue state approach. The second half will focus on the elements of an alternative strategy—what former national security adviser Zbigniew Brzezinski and others refer to as "differentiated containment"—that better relates the means and ends of U.S. policy.¹ Shifting away from a problematic generic label will promote the development of a repertoire of targeted strategies that will be more effective in achieving the discrete U.S. policy objectives in each case (behavior change in Iran, regime change in Iraq, "soft landing" in North Korea).

Libya, North Korea, Cuba, and Nicaragua) were the following: first, the assessment that South Africa did not threaten important American interests (indeed, the pressure it put on Angola was considered a plus), and second, the view that a positive domestic evolution within South Africa could be promoted through continued U.S. engagement.

In the post-Cold War debate about America's rogue state policy, the charge of political selectivity has revolved, in particular, around the cases of Cuba and Syria. The inclusion of Cuba in the roster of rogue states cannot be justified in terms of the Clinton administration's own criteria: Cuba neither possesses nor is attempting to acquire WMD;³ the Castro regime does not actively support terrorism (though Cuba remains on the State Department's terrorist list for providing safe haven to some fugitives); and Cuba neither threatens nor is attempting to destabilize other Latin American countries.⁴ As the leader of one of the world's few remaining Marxist regimes, Fidel Castro may indeed be a "dinosaur" (to quote Secretary of State Madeleine Albright), but that does not make Cuba a rogue state compatible to Iraq. Even if one accepts the rogue state designation as an analytically useful category in international relations, Cuba does not fit the Clinton administration's own criteria. Given this anomalous status, one must conclude that the inclusion of Cuba in the U.S. roster of rogue states is the product of American domestic politics (i.e., general antipathy toward Castro buttressed by the political clout of the Cuban-American émigré community).

The case of Syria strikingly illustrates the problem of political selectivity and inconsistency cutting the other way—that is, a state whose behavior fits the administration's criteria but that is excluded from the roster of rogue states. In contrast to Cuba, Syria *does* possess chemical weapons, along with ballistic missiles to deliver them, and is making a concerted effort to augment its WMD capability. Moreover, Syria remains on the State Department's terrorist list; the Assad regime has been implicated in providing significant support to Islamic groups that employ terrorism to derail the Israeli-Palestinian peace process. Finally, in terms of its regional role, Syria occupies Lebanon (which it claims is part of "greater Syria") and poses a potential threat to the pro-Western regimes in Jordan and Saudi Arabia through its indirect support of terrorist groups. And yet, because of Syria's pivotal importance in terms of the Middle East peace, the Clinton administration, like its predecessors, has sought to cultivate the Assad regime through a policy of diplomatic engagement. The perceived disjunction between the realities of Syrian behavior and this policy of political cultivation has led to congressional

calls that the strict sanctions regime imposed on other rogue states (such as Iran and Iraq) be extended to Syria. A senior State Department official rejected the "characterization of U.S. policy toward Syria as a policy of appeasement" in a hearing of the House Committee on International Relations in July 1996: "It is a very firm policy of opposing Syrian support for terrorism. It is also a policy of diplomatic engagement with an important state in the Middle East, . . . a country which is an important element in the peace and stability of that region. It is in the interest of the United States to do everything within our power to engage with Syria to persuade it to change its policies with respect to terrorism and to promote the expansion of the peace process."⁵ In the same congressional hearing, the efficacy of this approach was contested by Middle East policy analyst Patrick Clawson, who observed, "Syria is treated by the U.S. Government almost as if it were a friend. Many references have been made about how the Secretary of State has visited Damascus more often than he has visited any other capital, and, of course, President Clinton has met with Mr. Assad twice. . . . [W]e have to ask the question what does the United States gain from this policy of engagement with Syria? The answer, unfortunately, is that we have a Syria that engages in the same unacceptable behavior as the other rogue states."⁶

The Cuban and Syrian cases underscore the politically selective manner in which the rogue state policy has been implemented: while Cuba has been included in the administration's rogues' gallery even though it does not fit the criteria, Syria has been excluded from the listing on political grounds despite its behavior. In addition to these cases on the extremes, there are a number that fall into a middle group, countries that exhibit some but not all characteristics attributed to rogue states. India and Pakistan possess nuclear weapons, but neither uses terrorism as an instrument of state policy. Following the May 1998 nuclear tests on the subcontinent and the application of U.S. sanctions, Asia specialist Robert Manning noted that "in the eyes of U.S. law, India is now a 'rogue' democracy." Richard Haass of the Brookings Institution argued that "American policy has always placed India, Pakistan and Israel in an unstated special category—the *de facto* weapons state. So we need to continue distinguishing, in fact, if not in arms control theory, between them and rogue states."⁷ In contrast to India and Pakistan, Sudan does not have a WMD program but is on the State Department's terrorism list and has supported insurgency movements in neighboring countries.⁸ The Clinton administration has not included Sudan in its declaratory list of rogue states (e.g., it was not included in National Security Adviser Anthony Lake's 1994 *Foreign Affairs*

article). The *Washington Post*, however, in a December 1996 editorial on "The Menace of Sudan" labeled the Khartoum regime an "authentic rogue state."⁹ Until the sweeping expansion of U.S. economic sanctions in November 1997, the U.S. approach toward Sudan was more akin to its relations with Syria than with Iran.¹⁰

This group of regimes exhibiting some rogue characteristics is particularly problematic given the assertion that rogue states constitute a distinct category of countries in the post-Cold War international system. Either these cases are included in the rogue state roster, thus expanding it beyond the Clinton administration's core group, or they are excluded. From an analytical perspective, one would be hard-pressed to explain why Sudan is included in the roster (as many believe it should be) while Pakistan (toward which successive U.S. administrations have pursued engagement policies, even as it developed WMD capabilities) is omitted. This contradiction underscores the problem of selectivity and, again, reflects the fundamentally political, as opposed to legal, basis of the rogue state designation.

The preceding examples point to the inconsistent application of the rogue state policy even within its own terms—that is, criteria relating to objectionable external behavior. This is particularly striking in view of the neo-Wilsonian orientation of the administration's overall approach to foreign policy as manifested in its strategy of "engagement and enlargement." The discussion in Chapter 1 noted that within this liberal conception of international order, legitimacy is rooted in the states' internal character rather than the realist conception that emphasizes a stable distribution of power between states, regardless of their internal character, as the key to international stability. Thus, given the Clinton administration's overarching approach to international relations, one would expect its rogues' gallery to include those regimes with abhorrent records of behavior toward their own peoples. To be sure, states such as Nigeria and Burma have been sharply criticized for their abuse of human rights. Indeed, with respect to the latter, a State Department spokesperson said that because of the military regime's "perfidious and inhumane nature," Burma should not be treated "as a normal country."¹¹ And yet, the rogue state designation has been reserved only for those countries whose external behavior Washington finds objectionable. This tension between focusing on internal or external norms of behavior reflects the competing pulls of realism and liberalism (or idealism) in the formulation of American foreign policy. In so doing, it again highlights the problem of political selectivity and inconsistency that invariably accompanies

an attempt to designate certain states rogue according to one set of criteria while ignoring the other. This recurrent criticism of the rogue state concept, in turn, calls into sharp question its utility as a basis for policy formulation.

Strategic Inflexibility

The political, as opposed to legal, basis on which the rogue state designation is made invariably opens the policy to charges of manipulation and inconsistency. Once a state is included in this demonized category, however, a different set of problems inhibits the ability of the administration to adjust U.S. policy to changing circumstances. The inability to pursue targeted policies toward these countries flows from the generic quality of the rogue state approach. The demonization of this group of countries through the use of this label invariably pushes U.S. policy toward a default strategy of comprehensive containment and isolation.¹² The problem of strategic inflexibility has been manifested in two distinct contexts: first, the development of differentiated strategies toward those states *within* the category, and second, the process by which a state, if successfully "resocialized" and ready to rejoin the "family of nations," can be moved *out* of it.

In the first instance, the difficulty in distinguishing between states in the rogue state category is exacerbated by the assertion that these countries constitute a distinct class of states in the post-Cold War international system, as well as the use of these emotive terms for political mobilization purposes. Although Lake's article asserted that policy would be tailored to particular cases, the political dynamic of the rogue state approach has pushed the Clinton administration toward a one-size-fits-all strategy of containment and isolation. The North Korean case, however, is the notable exception to this pattern and underscores the problem. Lacking a viable military option to deal with the threat posed by North Korea, the Clinton administration embarked on a new diplomatic approach that integrated an engagement component into its overarching containment strategy. The primary instrument of this revised policy has been the October 1994 U.S.–North Korean Agreed Framework.

The signing of the Agreed Framework was followed a month later by the 1994 elections that swept a Republican majority to power in both houses of Congress. The Republicans came to office not only with an ambitious domestic agenda (outlined in the "Contract with America"), but also with attitudes on foreign policy that challenged the Clinton administration's ap-

proach on key issues. In part, this was a reaction to the difficulties that the administration experienced in its first two years (see Chapter 1). That record shaped perceptions of the North Korean deal and the administration's negotiating strategy. As one analyst notes, "After setbacks in Bosnia, Somalia, and Haiti, Washington never had the tactical flexibility to make the type of productive unilateral concessions to the North that the Bush administration had offered; indeed the Clinton administration was crucified in the press and on Capitol Hill for doing less."¹³

In their critique of the Agreed Framework, Republican legislators accused the Clinton administration of "appeasement." An expert on Korea observed that "while working as planned in North Korea," the nuclear agreement "was on thin ice politically in the United States."¹⁴ The administration had difficulty persuading Congress to appropriate the American share for the implementation of the agreement; this totaled some \$20–30 million per year and constituted only 5 percent of the total costs (versus 75 percent for South Korea and 20 percent for Japan). Congress eventually relented when faced with the stark alternative—the breakdown of the Agreed Framework and the specter of a renewed nuclear crisis on the Korean Peninsula.

The domestic political debate over the North Korean nuclear agreement highlights the strategic inflexibility that stems from the designation of a country as a rogue state. Having effectively demonized the regime, how does an American administration then justify having relations with it? In such a politically charged context, any concession, even a reciprocal one, can be cast as an act of appeasement to a regime that is "beyond the pale." That is why the labeling of a state as a rogue pushes the U.S. administration toward a default strategy of containment and isolation. Even though American objectives toward this disparate group of states vary from the moderation of behavior to a regime change, the underlying issue remains the character of these regimes. The fact that the avowed U.S. objective toward Iran is to change the Teheran regime's behavior is less an endorsement of the acceptability of that regime than a realistic assessment of the American ability to effect a regime change. The issue of objectives—how they are set and their relation to the instruments of American policy—will be discussed further below. The salient point in this context is that the rogue state designation, and the use of this policy for purposes of political mobilization, does invariably raise the root question about the unacceptable character of these states' regimes. That, in turn, raises a major political hurdle that any American administration must overcome in entering into negotiations with these

states. In the North Korean case, the clinching argument was the imminent danger posed by Pyongyang's nuclear program—and the absence of a better alternative course of action, including a military option. The political hurdles in other cases, such as Iran and Cuba, may be higher.

The preceding analysis points to one way in which the rogue state policy limits strategic flexibility: the demonization of this group of countries to mobilize political support for tough action makes it difficult to pursue differentiated policies toward those states *within* the category when circumstances warrant it. A related problem arises at a later stage. What happens if the strategy toward a particular rogue state begins to yield results, whether it be a change in behavior or the character of the regime? In the absence of a revolution or the collapse of the ruling regime, such changes will be incremental rather than wholesale. The process by which one of these radical regimes is "resocialized" and rejoins the "family of nations" will likely unfold over an extended period.

In dealing with rogue states and other countries of concern, American policy will be shaped as much by its own domestic politics as by external realities. Consider the case of Vietnam and the legacy of that traumatic and politically divisive war. Not until July 1995, more than twenty years after the collapse of South Vietnam, were Washington and Hanoi able to establish diplomatic relations. The domestic political resistance to a shift in policy—even when external changes and the national interest warrant it—can be formidable. The rogue state policy further exacerbates this problem. Once a country is branded an "outlaw" and placed in this category, it is very difficult politically to move that state out of it. Ever since the conclusion of the Agreed Framework, the Clinton administration has experienced this problem with respect to North Korea. From missile proliferation to food aid to a range of other issues, Washington has been negotiating with a regime that had been a charter member of its rogues' gallery. To indicate a change in policy, Secretary of State Warren Christopher quietly dropped North Korea from its listing of rogue states in a January 1996 speech.¹⁵ But, after a prolonged period of demonization, a political residue of the former policy remains—and critics of the administration's new approach continue to view moves toward engagement as a form of appeasement.

The purpose of this study is not to endorse one particular policy or other, nor to rationalize a blanket policy of engagement toward those states currently labeled as rogues. Rather, it is to highlight and analyze the distortions that stem from a policy that lumps a disparate group of states under a generic rubric. It has been argued that the subjective na-

ture of the rogue state rubric, and its use for the purposes of political mobilization, pushes policy-makers toward a generic containment and isolation approach. This is the case even when an alternative approach might be more effective in terms of affecting the internal evolution of the target state and attaining the U.S. policy objective. There may also be extreme cases (such as that of Iraq under Saddam Hussein) in which policy-makers will want to go beyond containment and isolation to an explicit strategy of rollback to change the regime.

Impact on Alliance Relations

A traditional source of tension between the United States and its major allies has been how to deal with security threats beyond the geographical bounds of formal treaty arrangements, such as the North Atlantic Treaty Organization (NATO). During the Cold War, differences between the United States and West Europeans arose over Vietnam and Suez, as well as the U.S. invasion of Grenada in 1983 and the bombing of Libya in 1986. The so-called out-of-area problem remains a major issue of alliance management in the transformed circumstances of the post-Cold War era. The security institutions forged during the Cold War are being pressed to redefine their roles in the absence of an overriding great power threat that was their original *raison d'être*. In the ongoing debate about NATO's future, some have argued that the alliance will go "out of business" if it does not go "out of area" to deal with clear threats to Western interests requiring collective action, such as Iraqi regional aggression.

The controversy between the United States and its allies, principally the Europeans, over policy toward rogue states has been less a dispute over ends than one over means. Indeed, there is broad agreement on the need for significant changes in Iranian behavior (especially with respect to terrorism and the Middle East peace process) and the need to check Iraqi expansionism (though views differ on whether Saddam's removal is necessary or feasible). The focus of this ongoing transatlantic debate has been primarily over the appropriate strategy and policy instruments to achieve these objectives. The divergent European and American approaches to dealing with rogue states have reinforced the false dichotomy between containment and engagement.

The European approach emphasizes the use of political dialogue and economic relations as positive inducements both to moderate the behavior of rogue states and, conceivably, to positively affect their evolution into responsible members of the international community. Trade and di-

alogue, it is argued by the Europeans, will give these problem states a tangible stake in a stable international order. Isolating them will only give recalcitrant leaders, like Castro and the Iranian mullahs, a foreign scapegoat on whom to blame their countries' economic problems. The American counter view is that the European engagement approach is all carrot and no stick. It removes any incentive these rogue regimes might otherwise have to change their behavior by providing the benefits of normal relations without an explicit *quid pro quo*. Such material support could even serve to prop up these regimes by strengthening their ability and political will to resist change.¹⁶ The U.S. alternative to engagement is comprehensive containment and isolation so as to compel these states "beyond the pale" to alter their behavior and, ideally, to bring about the collapse of their ruling regimes.

The case in which this dichotomy between the European and American approaches has been most strikingly evident is that of Iran. The European Union's policy of engaging in "critical dialogue" with Iran was announced at its 1992 Edinburgh summit. French president Jacques Chirac characterized the policy as follows in a March 1996 interview: "Critical dialogue is . . . not open and friendly, as it would be with countries with whom we have normal trade, cultural, and political relations. It is a limited, organized dialogue through which the Europeans convey to Iran a certain number of ideas, notably in the area of human rights, a certain number of thoughts, not always pleasant to hear, but which nevertheless preserve the ability to talk."¹⁷ Critical dialogue was the rubric under which the European Union's members, particularly France and Germany, continued their political contacts and economic relations with the Teheran regime.

The underlying rationale of "critical dialogue" was to use economic incentives (e.g., trade credits and debt rescheduling) to bolster the position of pragmatic elements within the theocratic regime and thereby promote the moderation of Iranian foreign policy behavior. Former Central Intelligence Agency (CIA) director James Woolsey offered a blunt assessment that reflected the widespread criticism of "critical dialogue" in the U.S. policy community: "The German-French approach [is to] wink at Teheran's support for terrorism and rationalize, in effect, appeasement of it."¹⁸ Middle East expert Robert Satloff observed, "Whether this policy is driven by a sincere belief in the wisdom of 'engagement' as a means to affect Iranian behavior or merely as a cover for certain states to maintain trade links with Iran, to ensure access for Caspian oil pipelines transiting Iranian territory, or [to] insulate themselves against Iranian-backed

terrorism is unclear."¹⁹ The European Union's policy suffered a sharp setback in April 1997 when a German court found the Iranian leadership complicit in the assassination of Kurdish dissidents at a Berlin restaurant (the Mykonos) in September 1992. European Union (EU) officials were forced to concede that "critical dialogue" had yielded little discernible change in Iranian behavior. The "Mykonos affair" lent support to the American view that the Iranian regime would successfully resist any linkage of trade and politics. Even as the EU's critical dialogue with Iran faced a dead end, European policy-makers countered that the American policy of dual containment had been similarly unsuccessful.

The transatlantic dispute over policy toward rogue states—the latest manifestation of the traditional "out of area" problem—stems from a periodically heated debate over how best to achieve Western objectives. The debate has threatened to spill over into other issue areas. One manifestation of this acrimony can be seen in each side's occasional questioning of the motivations of the other. American critics of the European approach view it as a mercantilist policy driven by economic interests (whether they be offshore oil rights in Iran or construction projects in Baghdad). The Europeans, alternatively, see the American approach as overly militarized and powerfully influenced by domestic political interest groups (such as the Cuban émigré community and the American-Israeli Public Affairs Committee [AIPAC]). They also view it as an illegal effort to export American law overseas (through the imposition of extraterritorial sanctions) and hypocritical (citing the Clinton administration's acquiescence to Iranian arms shipments to the Bosnian Muslims).

At the end of the first Clinton administration, the transatlantic dispute threatened to escalate further after the enactment of the Iran-Libya Sanctions Act (ILSA) and the Helms-Burton Act. As discussed in Chapter 2, these statutes, passed overwhelmingly by Congress and signed into law by President Clinton in mid-1996, would impose U.S. sanctions on foreign commercial entities trading with Iran, Libya, and Cuba. The EU responded to the American secondary boycott with a series of measures to aid European companies in their resistance to this unilateral U.S. policy. Castigating the EU's opposition to American sanctions on these "outlaw regimes," a former Bush administration official stated that "some Europeans have never lost faith in appeasement as a way of life."²⁰ One of the few congressional critics of the ILSA and Helms-Burton legislation was Representative Toby Roth (R-Wis.), chair of the House Subcommittee on International Economic Policy and Trade. He argued that in addition to being ineffective, a secondary boycott would politically isolate the United States from its closest allies: "No one disputes that Iran and

Libya are rogue states. . . . But what's the best way of toppling these regimes? . . . This sanctions law is necessary, its backers argue, to force Iran's and Libya's major trading partners to go along with our 'economic strangulation' strategy. But will this new U.S. law isolate Iran and Libya, or will it backfire, isolating us from other governments whose help we need to deal with this international problem?"²¹ Speaking for the EU, British foreign secretary Robin Cook stated that ILSA "is wrong in principle and counterproductive in effect. It has unacceptable extraterritorial impact on legitimate business. A trade war ignited by this legislation will only harm US and European companies and benefit the hawks in Iran. The EU cannot forge a new partnership with the US on Iran while we are looking down the barrel of the Sanctions Act gun."²²

Publicly the Clinton administration maintained its declaratory stance that the United States would act multilaterally if possible, unilaterally when necessary. But behind the scenes, U.S. policy-makers signaled a renewed interest in defusing the transatlantic dispute with the EU over secondary sanctions. In March 1998, during the preparations for the May meeting of the G-8, administration officials hinted that the President would waive the ILSA sanctions on a highly publicized natural-gas deal with Iran involving the French oil company Total, Russia's Gazprom, and Malaysia's Petronas.²³ On May 18, the president made the formal waiver announcement in Geneva on the heels of the G-8 summit. Purting the best face on this policy reversal, presidential press spokesperson Michael McCurry stated, "We receive[d] from the Europeans significant commitments with respect to our work together to counter the threat of terrorism and to work together to ameliorate the behavior of so-called *rogue nations*."²⁴ Albright stated that she remained opposed to the energy deal, but that it was in the U.S. national interest to waive the sanctions; the move might, for example, encourage Russian passage of the second Strategic Arms Reduction Treaty (START II). For their part, the Europeans, similarly seeking to defuse the sanctions showdown with Washington, dropped their plan to challenge the legality of the Helms-Burton legislation in the World Trade Organization and agreed to tighten further their export controls on weapons-related technology to Iran.²⁵ The shift in American approach can be attributed to two factors: first, the need to maintain alliance cohesion during the continuing impasse with Iraq during 1997-98 over United Nations Special Commission (UNSCOM) inspections, and second, the upset victory of Khatami in Iran's May 1997 presidential election.

Despite these developments, the Clinton administration's scope for diplomatic maneuver on the sanctions issue was significantly circum-

scribed by the very domestic political forces that had been instrumental in enacting the IL-ISA and Helms-Burton legislation.²⁶ The administration was also captive to its own tough, occasionally hyperbolic, rhetoric. Indeed, as discussed above, a major liability of the rogue state approach is the limitation of strategic flexibility that stems from the lumping and demonization of these target countries. In October 1997 congressional testimony, Undersecretary of State for Economic Affairs Stuart Eizenstat stated that the Clinton administration eschewed a "one-size-fits-all" approach and that the president "must have the flexibility to tailor our response to specific situations." But, in the case of rogue states, he argued, "In many instances, engagement can be preferable to isolation, although the choice is not always so stark. In some cases, a mixed policy approach that incorporates both carrots and sticks may be appropriate. Engagement, including engagement by the U.S. business community, may contribute a positive influence. In the case of some rogue regimes, however, engagement would simply feed the regime's appetite for inappropriate or dangerous behavior."²⁷

Assessing the transatlantic dispute about rogue states, the International Institute for Strategic Studies' *Strategic Survey 1996/97* concluded, "Even more than in past crises, current transatlantic divisions undermine the effectiveness of either strategy—sanctions and containment are unlikely to bring down a regime when applied by the United States in isolation, but trade and dialogue are equally unlikely to foster change when the world's largest economy and political player is not involved. The result of a divided Western strategy toward rogue states, in other words, leads neither to the defeat of the unwanted regimes nor their integration into civilized behaviour, but rather to tensions within the Atlantic Alliance and an opportunity for rogue states to play the allies off against each other."²⁸

The failure of either critical dialogue or comprehensive containment to yield the desired outcome underscored the need to move the policy debate beyond this false dichotomy. Notwithstanding the formidable domestic constraints on U.S. policy cited above, a low-key debate to bridge the gap between the European and American approaches has been taking place since 1998. On both sides of the Atlantic, policy-makers increasingly recognized that the two policies are indeed complementary, not competitive. This conclusion is consistent with the Western alliance's Cold War experience with the Soviet Union when it pursued a dual-track policy of political dialogue and trade along with military containment.

The elements of a third way—an approach that breaks out of the false containment-engagement dichotomy—will be addressed in the second

half of this chapter. The U.S. rogue state approach has not yielded the desired policy outcomes and has led to the isolation of the United States in international forums (such as the G-8, the Organization of American States, and the United Nations). The policy has highlighted the limits of American unilateralism. The development of an alternative, differentiated approach would increase Washington's strategic flexibility and ease alliance tensions by offering a framework for multilateral action on a case-by-case basis.

Political Mobilization

The analysis to this point has highlighted the liabilities of the U.S. rogue state policy that emerged in the aftermath of the Cold War and the Gulf War. Notwithstanding the concerns addressed above, does the rogue state policy have any utility? The main argument that can be made in favor of the rogue state approach is its utility in mobilizing political support both at home and abroad for tough measures against these states. The underlying assumption of this view is that in a post-Cold War era of peace and prosperity, the American public will not meet the challenge posed by these states unless roused to action through demonizing political rhetoric from the top leadership.

This phenomenon, of course, is not new to American diplomacy. Policy-makers have long used political hyperbole and expansive rhetoric for actions they believed the public would not otherwise support if cast more narrowly. Consider the early Cold War era. In enunciating the Truman Doctrine, the administration decided to publicly present the specific matter of military assistance to Greece and Turkey as a statement of global policy with explicit reference to the ideological challenge of communism. Following a crucial February 1947 meeting with congressional leaders, one of the participants reported that Secretary of State Dean Acheson had "discovered that he had to pull out all the stops and speak in the frankest, boldest, wildest terms to attract their support for a matter which in parliamentary democracies without a tradition of isolation would have been undertaken quietly and without fanfare."²⁹ Thus, the Truman Doctrine was depicted not as a necessary step to maintain a balance of power in the eastern Mediterranean region, but as a moral crusade between "alternative ways of life." Successive American administrations from Truman to Reagan relied on what the French political philosopher Raymond Aron called the "mobilization of moralism" to maintain the national consensus for a global containment strategy.

Strong rhetoric, such as President Reagan's characterization of the Soviet Union as the "evil empire" in the early 1980s, certainly helped mobilize public and congressional support for Cold War levels of defense expenditures. The demonization of an adversary state has been effective as a political tactic because it reflects, and indeed plays on, the traditional American impulse to view international relations as a struggle between forces of good and evil (see Chapter 2). Unless the executive branch circumvents the system of congressional and constitutional restraints (as happened during the Iran-Contra affair), the president must make the case for a policy to the public and Congress. But is political hyperbole necessary to mobilize domestic political support—and can such a tactic lead to unintended consequences? With respect to the early Cold War period, historian Warren Cohen concluded,

The president can tell the people the truth, as Jimmy Carter promised to do, or he can tell them something "clearer" than the truth, as Dean Acheson had Harry Truman do, and as he believed all good teachers do. In this context articulating something clearer than the truth meant magnifying the Soviet threat, and the Soviet role in events with undesirable outcomes—to the delight of anti-Communist ideologues who then argued, if the Soviet threat was so great, why had Truman not done more. The exaggerated view of the Soviet threat took root, came back to haunt Truman, Acheson, Kennan, et al., and seems to have been internalized by some of the mythmakers themselves.³⁰

Presidents and their aides will, of course, be loath to admit that they engaged in "threat inflation" to win popular support for their policies. The Soviet Union was an expansionist totalitarian state that threatened the post-World War II international order, just as Iraq, Libya, and the other rogue states pose real threats to American and allied interests in the post-Cold War era. The issue for political leaders, however, is whether the case for action to meet foreign policy challenges can be made in their own terms without resort to hyperbole. Could the Truman Doctrine have been presented as a necessary step to maintain the balance of power in an important region rather than as a moral crusade? In the Cold War context, as Cohen reminds us, the hyperbole did come back to "haunt" policy-makers. If Greece and Turkey merited the Truman Doctrine, critics asked, what about the even bigger strategic prize, China: why did the administration not adopt an explicit policy to "roll back" communist power on the mainland? Magnifying the communist threat and casting the Cold War in apocalyptic terms did yield short-term political dividends in terms of winning domestic support for the Truman Doctrine. But it also transformed the stakes of the superpower rivalry and led to significant distortions in policy. This unintended consequence was most

evident when the arena of competition shifted to the Third World in the 1960s and 1970s. From Vietnam to Angola, American policy-makers viewed regional conflicts in a global framework and consistently downgraded the importance of internal factors. It resulted in an approach that former secretary of state Henry Kissinger characterized as "undifferentiated globalism."

A similar political dynamic has emerged with respect to rogue states in the post-Cold War era. The Clinton administration has used the rogue state rubric to galvanize support for its policies. Just as Acheson had to "pull out all the stops" to sell the Truman Doctrine to a reluctant Congress, so too have the Bush and Clinton administrations employed hyperbolic rhetoric for political mobilization purposes. Hence, a Clinton administration official indicated privately that unless the United States was "completely maniacal" about Iran in multilateral forums, the Europeans would take no firm action. Senator John Glenn (D-Ohio) offered the following assessment of the utility of the rogue state policy for political mobilization: "By simplifying the problem, the rogue nation approach has been useful to bureaucracies: it establishes priorities for the intelligence and defense communities; . . . it assists diplomats in mobilizing international action; it is easy to sell to the public; and it risks little diplomatic fallout."³¹ This use of the rogue state policy for political mobilization raises two questions: first, whether the magnification of threats through demonization and the lumping of a disparate group of states in the "rogue" category has been effective and necessary for the mobilization of political support, and second, whether the political strategy has had adverse, unintended consequences for U.S. foreign policy.

With respect to the first issue, the Clinton administration's strategy to mobilize political support for its policies by demonizing certain states as rogues has been far more successful at home than abroad. In large part, this success reflects the influence of domestic political interest groups that advocate strong action against these regimes. Another determining factor that relates to the general context of American policy formulation and accounts for the rise of the rogue state approach is the historical tendency to view international relations as a moral struggle between forces of good and evil. Outside the American political culture, the term "rogue state" is an alien concept that, as previously noted, has no standing in international law. In the continuing transatlantic debate over how to deal with these countries, the European allies have not been won over by Washington's political hyperbole or its artificial grouping of certain states under a pejorative rubric (while selectively omitting similar ones on political grounds). The international implications of this outcome call

into question the utility of the rogue state approach as an instrument of political mobilization.

Having propounded the concept in order to mobilize political support against Iraq, Iran, and the other core rogue states, the Clinton administration found itself under increasing domestic political pressure to expand the list to encompass additional states that exhibited some of the rogue attributes. One conservative critic labeled China a rogue nation because of its human rights abuses and nuclear cooperation with Pakistan and urged President Clinton to cancel his June 1998 state visit to Beijing.³² Defending the trip, a senior White House official responded, "Look, suddenly China becomes a *rogue state* and it becomes a challenge to the engagement policy again, and there's a lot of domestic politics involved here. Those who say how can you grace Tiananmen with your presence have to answer: 'Where would we be on human rights and proliferation if we embraced the isolation policy that you advocate?'"³³ Other prominent cases are India and Pakistan; the two countries' nuclear tests in May 1998 led to the imposition of comprehensive U.S. sanctions and prompted some observers to question whether those states too should be added to the rogues' gallery. Seeking to avoid this political stigma, former Pakistani prime minister Benazir Bhutto stated, "Since India has forced Pakistan's hand, Pakistan must also signal to the world community that it is not a *rogue state*."³⁴

Closely linked to the issue of political selectivity is strategic inflexibility. Once relegated to the "rogue" category, the political dynamic underlying the policy makes it difficult to take the target country off the list. In 1998, the Clinton administration continued to face criticism from Congress and other quarters that its limited engagement of North Korea through the Agreed Framework was a form of appeasement; likewise the administration was unable to exploit the possibilities in Iran raised by the election of President Khatami. In both instances, the administration's own rogue state policy severely circumscribed its scope of diplomatic maneuver. This strategic inflexibility, coupled with the significant political costs incurred by U.S. allies, underscored the liabilities of the rogue state approach and pointed to the need for an alternative that goes beyond political hyperbole and a generic strategy.

FORMULATING ALTERNATIVE STRATEGIES

The terms "containment" and "engagement" have become standard reference points in the American post-Cold War foreign policy debate. Of-

ficials and policy analysts often use them without precision, almost as shorthand to indicate their positive or negative attitude toward a particular state. Political scientist Alexander George has observed,

It should be recognized that "containment" and "engagement" are general *concepts* that require specific content in order to become *strategies*. Each of these concepts is capable of generating significantly different strategies. Policy planning and the development of policies for dealing with "rogue states" must develop a specific containment strategy and/or a specific engagement strategy. The question that must be addressed is "which type of containment strategy" and/or "which type of engagement strategy" and "which particular combination of containment and engagement strategy." Unless this question of how to transform these general concepts into specific strategies and tactics is adequately and clearly answered, they are likely to encourage inconsistent, even contradictory behavior toward the rogue state.³⁵

The goal of these discrete, targeted strategies is to resocialize rogue states by fostering their compliance with international norms. This process of reintegrating them into the international community requires careful case-by-case consideration. It encompasses a spectrum of possible actions and outcomes ranging from the narrow (behavior change) to the expansive (regime change). The starting point of this analysis is, of course, the target state itself—the regime's intentions and capabilities, its perceptions of external actors, the nature of its leadership, the possibilities for domestic political evolution, etc. This analysis would provide the basis for translating the *concept* of "containment" into a specific *strategy* for dealing with a particular country of concern.

Understanding the Target State

An adequate understanding of the target state is a prerequisite for policy development. In its absence, decision-makers lack a sufficient basis to set objectives and determine the appropriate strategies to achieve them. The assessment process requires input from a variety of expert sources. Particularly relevant is the expertise of area specialists, whose knowledge of the target state's history and political culture can provide policy-makers a much-needed context within which to frame their decisions. This type of country analysis is as much art as science. Policy judgments are based on information that is invariably incomplete and often contradictory. Area specialists can sometimes be too close to their subject matter or simply extrapolate future behavior from the past.

Prior to the Iraqi invasion of Kuwait in August 1990, for example, the conventional wisdom among Persian Gulf specialists was that the Bagh-

dad regime, exhausted after eight years of attritional war with Iran, would seek a quiescent international environment so that it could focus on internal reconstruction. U.S. military intelligence analysts, who were tracking Iraqi military movements to the south in preparation for the invasion, were the ones to raise the alarm in Washington, not the regional specialists. This cautionary episode points to the need to cross-check contending analyses of target state behavior against one another to gain a more accurate understanding. Following the CIA's failure to predict the Indian nuclear test in May 1998, Director George Tenet announced a series of reforms, including steps to better integrate the capabilities of the intelligence community and the increased use of outside experts to reduce the danger of groupthink.

Even with institutional reforms to improve the assessment process, however, target state analysis remains inherently problematic. Because it is not an exact science, different policy experts can review the same data and come to sharply divergent conclusions. The Bush administration's plausible, though incorrect, conclusion that Saddam Hussein's objectives were limited in mid-1990 was supported by a number of key facts: (1) Iraq was demonstrably in need of internal reconstruction after the Iran-Iraq War; (2) no Arab state had ever invaded another Arab state; and (3) Iraq had previously used coercive diplomacy to extract concessions from the Kuwaitis. With respect to the Indian nuclear test, retired admiral David Jeremiah, who headed the review panel investigating why the CIA had failed to predict it, stated, "We should have been more aggressive in thinking through how the other guy thought."³⁶ In charting policy, decision-makers must remain open to multiple viewpoints and foster a decision-making environment in which target state analyses can be openly vetted and their underlying assumptions challenged.³⁷ In the end, it comes down to public officials' making a judgment about a target state under a particular set of circumstances.

The development of an appropriate strategy is contingent on an accurate "image" of the target state. Such an assessment should take the following factors into account: historical background, the character of the regime and its leadership, the regime's declaratory policy and ideology, the target state's economic and military capabilities, recent foreign policy behavior, the impact of current U.S. policies and the policies of other states on the target state, and the domestic context within the target state and the potential (given those conditions) for a favorable political evolution.

Historical Background. The past does not dictate the future, but it is a logical starting point for thinking about it. The historical record explains

a state's current circumstances and provides insight into the context shaping future decisions by its ruling regime. Is the state revisionist? Does it seek a change in the territorial status quo with neighboring states? Does the target state have a governing ideology or belief system that it attempts to "export" to other countries as a means of transforming its region? A historical perspective on these questions can shed light on the target state's intentions. In the case of Iraq, for example, an assessment of future foreign policy behavior must begin with the fact that the Saddam Hussein regime invaded *two* neighboring states in the course of a decade.

Character of the Regime/Leadership. Knowledge of the leadership and the decision-making process in the target state is essential to any projection of future foreign policy behavior. How are decisions reached? Are there formal or informal decision-making structures? Are decisions taken by a single individual or a collective leadership? What are the key interest groups (either within the regime or the society at large) that affect policy outcomes? Given the closed and isolated nature of the various countries lumped together under the rogue state rubric, information is often not easy to obtain. These states exhibit significant variance in their types of leadership: Iraq is an extreme example of autocracy; Iran has significant, though circumscribed, elements of pluralism (such as its parliament [the Majlis] and the 1997 presidential election that brought a dark-horse candidate to power); in North Korea, questions remain about the degree to which Kim Jong Il has consolidated power since the 1994 death of his father, Kim Il Sung, and the extent to which the military is a check on his authority.

Declaratory Policy and Ideology. What a state says is less important than what it does, but sometimes the former is an important key to predicting the latter. Content analysis of speeches by the leadership, as well as newspapers and other publications linked to important institutions or interest groups, can shed light on internal debates and provide clues to future policy. Equally important is an understanding of any ideology or belief system that underpins the regime and is a possible motivation for its actions (e.g., Shia Islam in Iran). During the Cold War era, the field of Sovietology revealed both the possibilities and limitations of this analytic tool. It remains an important device, but must be used in tandem with analyses of other pertinent factors. Again, consider the Iraqi case: the fact that the Saddam Hussein regime continues to declare periodically that the border demarcation with Kuwait remains an open ques-

tion, despite a final determination by the United Nations, is highly relevant to any assessment of future policy. Although the regime may be using this declaratory policy to gain leverage on other issues, it is clear from Saddam Hussein's record that such statements cannot be dismissed as pure political posturing.³⁸

Capabilities. A threat can be defined as hostility plus the capability to do something about it. An analysis of nontangible factors, such as declaratory policy and the character of the ruling regime, can indicate the possible intentions of a state. A key question, however, is whether that regime possesses the wherewithal to translate those intentions into action. Intentions are inherently difficult to discern because they relate directly to the leadership—its state of mind and the often idiosyncratic factors that affect decision-making. Capabilities, on the other hand, are measurable indices, such as military spending or economic performance. Iraq and Iran provide contrasting examples of the difficulty of assessing military capabilities, even with the sophisticated monitoring technologies available to Western governments. Following the Gulf War, American officials were stunned by the findings of UNSCOM that revealed the extent to which Iraq was able to covertly develop WMD capabilities. The Iraqi experience fueled subsequent concern about a possible Iranian rearmament program in 1992–93. Ominous extrapolations based on shaky data, however, have not been borne out. Indeed, data compiled by the International Institute for Strategic Studies indicate a 60 percent reduction in Iranian defense spending following the end of the Iran-Iraq War before leveling off: from \$9.9 billion in 1988 to \$3.77 billion in 1991.³⁹

Foreign Policy Behavior. The preceding discussion of how to assess target state behavior has focused on its historical record, leadership and decision-making system, declaratory policy, and capabilities. The next consideration builds further on that analysis to focus on the target state's foreign policy. Some trends may be readily apparent, such as Iran's diplomatic strategy to improve relations with the monarchical regimes of the Persian Gulf region after Khomeini's death. Other behavior may be contradictory, perhaps indicating divergent tendencies within the ruling regime. In surveying the target state's recent foreign policy behavior, are any patterns or trends evident? For example, since the May 1997 election of President Khatami, widely viewed as a political moderate at odds with the Teheran regime's radical theocratic elements, have there been discernible changes in Iranian foreign policy? Are any such changes tactical, reflecting a short-term adjustment, or strategic, with long-term implications?

The International Environment. Proponents of the realist school argue that the primary determinant of a country's foreign policy is its leadership's perception of the external environment—and, in particular, the distribution of power between states. For example, India's Hindu nationalist government pointed to the threat posed by a nuclear-armed China and its nuclear assistance to Pakistan as the chief motivation underlying its decision to resume nuclear testing in May 1998. Given the influence of the international environment on the target state, external actors must carefully assess the impact of their policies on the country in question. This issue was at the heart of the transatlantic dispute over policy toward Iran during the 1990s (i.e., the Clinton administration's comprehensive containment versus the EU's "critical dialogue"). Did the U.S. hard-line approach create domestic pressures that led to the election of Khatami or, conversely, did American efforts to isolate and punish Iran have the unintended consequence of pushing Iranian nationalists toward the theocratic regime? The questions surrounding this specific case underscore the general need for external actors to evaluate the influence of the international environment and, in particular, the impact of their policies on the target state.

Domestic Politics. The goal of any strategy along the containment-engagement continuum is to influence the target state—whether the objective is to moderate its foreign policy or bring about a change in regime. The formulation of an appropriate strategy requires a clear understanding of the domestic political milieu within the target state. An important factor bearing on strategy development is the extent to which the target state's leadership and decision-making process are insulated from or influenced by political interest groups in the broader society. Punitive strategies, such as comprehensive containment, aim not only to keep a rogue leader "in [a] box" (as the Clinton administration says of Saddam Hussein), but also to up the ante domestically by creating pressures that could precipitate change, such as a coup. Incentive strategies, incorporating some degree of engagement, also seek to shape the domestic political milieu by giving interest groups within the target state a tangible stake in improved relations. But an external actor's choice of strategy and its likelihood of success strongly depend on that constellation of internal interest groups and their ability to influence the leadership.

One sees this debate playing out in the context of U.S. relations with Iraq and Iran following the acknowledged breakdown of the Clinton administration's "dual containment" policy. In Iraq, the Saddam Hussein regime has proved adept at insulating itself from domestic pressures

through sheer brutality, payoffs to its key institutional supports (the Republican Guard and the secret police), and an evidently successful political strategy of blaming the United States and United Nations (UN) sanctions for the country's dire conditions. Domestic politics outside what is permitted by Saddam Hussein simply do not exist. In Iran, by contrast, there are clear signs of increased, albeit circumscribed, pluralism—a condition manifested in the power struggle between Khatami and radical theocratic elements within the ruling regime. These encouraging domestic developments in Iran prompted a number of prominent foreign policy specialists to call for a change in the U.S. approach that would integrate an engagement component into its containment strategy. The relevant point in this context is not to advocate a particular policy, but rather to highlight how one's reading of the domestic milieu in the target state affects the choice of strategy. This assessment of the "ripeness" of the domestic political environment will determine the appropriateness and timing of any policy initiative.

The analysis above has focused on key factors that should shape policy-makers' "image" of the target state. Inadequate analysis—not "thinking through how the other guy [thinks]" in Admiral Jeremiah's words—can lead to misperception and miscalculation. In the absence of good target state analysis, decision-makers will be prone either to extrapolate future behavior from the past, impute some form of rationality based on preconceived notions, or view the adversary state as essentially a mirror image.⁴⁰ In turn, it is also important that the target state have a proper "image" of the major external actors with which it is dealing. For example, during the Iraqi occupation of Kuwait, Saddam Hussein reportedly believed that the Bush administration would not initiate a ground war because of the continuing influence of the Vietnam debacle on American policy.

Relating Means and Ends

The group of countries under the rogue state rubric are notable for two general characteristics: their diversity and their marginal status in international affairs. The former is at the heart of this study's critique of the generic strategic approach that has been pursued toward these countries. The latter bears significantly on the formulation of tailored strategies to address the very real challenges that these states pose. The nature of these threats, however, is of a wholly different magnitude than that of the Cold War era, when the United States confronted a global super-

power armed with a vast nuclear arsenal. In *A World Restored*, Kissinger, arguing from a realist perspective in his analysis of the Congress of Vienna system, distinguished between states that accept the legitimacy of international norms and "revolutionary" states that reject them.⁴¹ Whereas Kissinger was writing about the major powers of post-Napoleonic Europe, the rogue states of the post-Cold War era are internationally marginal and weak. Consider the Clinton administration's core group of rogue states. North Korea, one of the few remaining communist states, is on the brink of collapse. Libya has been successfully contained and deterred since the U.S. bombing of Tripoli in the April 1986 response to a Libyan-sponsored terrorist act in Berlin and the imposition of UN sanctions following the implication of Libyan intelligence officers in the bombing of Pan Am flight 103 in December 1988. Iraq remains under UN sanctions and Saddam Hussein, although not unseated from power in the aftermath of the Gulf War, has been kept "in his box." Iran faces a serious economic crisis stemming from the downturn in oil revenues and exacerbated by the effects of U.S. sanctions.

All of the states designated as rogues by the Clinton administration are dissatisfied with the international status quo in one way or another. But none possesses the capabilities (even through a horrific act of state-sponsored terrorism) to threaten the fundamental stability of the international system on the order of a Stalin or a Hitler. The primary threat that the rogue states pose is in their own immediate region. Iraq may threaten Kuwait, Saudi Arabia, and Iran, but Saddam Hussein cannot bring down the entire international system. When he was poised to control a high percentage of the world's proven reserves of oil (through the occupation of Kuwait and political coercion of Saudi Arabia), the United States and other major powers were motivated into action to repulse and contain Iraqi power.

The rogue states are revisionist, but not, in Kissinger's conception of international relations, "revolutionary." A notable exception to this pattern was Iran following the overthrow of the Shah. Ayatollah Khomeini was swept to power on the force of a revolutionary, transnational ideology—political Islam. Indeed, after the February 1979 revolution, there was much talk within the new theocratic regime of "exporting the revolution" across the Middle East and other parts of the Islamic world. Iran was not territorially expansionist like Saddam Hussein's Iraq, but it did challenge the legitimacy of other Middle East governments by offering a new (or rather, traditional) vision of how states in the region should be organized. Over time, the Teheran regime moderated its revolutionary

rhetoric and sought to normalize relations with its regional neighbors. Still, as discussed in Chapter 5, a political tension persists in Iran between those who wish for the country to become a working member of the international community (i.e., an "ordinary" state) and those who view this revolutionary élan as the core of the society's identity. That continuing tension between accepting and rejecting the existing system of states is reflected in the country's paradoxical name—the Islamic Republic of Iran.

The weak and marginal status of the rogue states in the international system strongly conditions the design and implementation of strategies to deal with them. In *Strategies of Containment*, historian John Lewis Gaddis examined the oscillations of American Cold War policy from the 1940s to the 1970s. He developed a typology that distinguished between "asymmetrical" and "symmetrical" approaches pursued toward the Soviet Union by successive presidents.⁴² During the Truman administration, the debate between these competing strategies was played out between George Kennan (who headed the State Department's newly founded Policy Planning Staff) and Paul Nitze (who succeeded him). Kennan argued that the United States should pursue an asymmetrical strategy that applied American strengths against Soviet weaknesses, rather than attempting to match the Kremlin in all strengths. This approach called for the delineation and defense of American vital interests in the world, while yielding nonvital positions outside those geographic core areas (i.e., the Third World) that could not be sustained at an acceptable cost. Nitze, by contrast, argued for a vastly more expensive symmetrical strategy that would respond to Soviet activism across the board, even in areas of peripheral interest to the United States.

Gaddis's analytic framework—the standard for assessing U.S. strategy of the Cold War period—does not translate into the current era because of the gross disparities of power that exist between the United States and the rogue states. During the Cold War, the Soviet Union's economy may have lagged far behind that of the United States, but there was a rough parity in military power that gave reality to the image of the Soviet Union as a superpower. Given the extraordinary differentials in power between the United States and the currently designated rogue states, any U.S. strategy toward them will be asymmetrical in Gaddis's terms of reference. An important implication of this asymmetrical power relationship relates to the conditions under which an engagement component might be integrated into a containment strategy. This is a central issue that has been raised in connection to U.S. policy toward Iran after the

May 1997 election of Khatami. The debate has been between those who seek a political dialogue with the Teheran regime to explore the opportunities created by Iran's domestic evolution and those who advocate the continuation of a punitive policy of comprehensive containment and isolation. For the Clinton administration, there is no imperative to dialogue with Iran. Furthermore, given the historical legacy of the hostage crisis and the Iran-Contra scandal, the policy carries clear political risks.

In this ongoing debate about U.S.-Iranian relations, there is an interesting parallel to the Cold War period, as well as a significant point of historical divergence. During the early Cold War, views differed over whether to engage the Soviet Union in negotiation or to eschew contact and isolate it. The emergence of the Soviet Union as a nuclear power capable of destroying American society settled that debate. In defending the Nixon administration's détente policy from domestic critics, Secretary of State Kissinger argued that the overriding responsibility of the superpowers to prevent nuclear war made negotiation and engagement a moral imperative.⁴³ In the post-Cold War era, no such general imperative exists to engage the so-called rogue states. Indeed, the default position of containment and isolation is viewed as a conservative approach that avoids political risk (such as the fallout of the 1986 Iran-Contra scandal). Significantly, the one case in which the Clinton administration deviated from this generic strategy toward rogue states was North Korea. It did so in the face of the acute threat posed by Pyongyang's mature nuclear program and the absence of any viable military option to deal with it. Under these circumstances, the Clinton administration opted for a containment strategy that incorporated a limited engagement component through the Agreed Framework. The conditions under which the United States might pursue limited engagement with a rogue state as part of a containment strategy will be further examined below.

In his controversial *Foreign Affairs* article, Anthony Lake concluded that at the outset of the Cold War, "George Kennan . . . made the case for containment of an outlaw empire. . . . Today the United States faces a less formidable challenge in containing the band of outlaws we refer to as the 'backlash states.' It is still very much in our power to prevail."⁴⁴ But prevail to what end? Lake cites the two objectives of Cold War containment identified by Kennan in his seminal 1947 "X" article in *Foreign Affairs*: "to increase enormously the strains under which Soviet power must operate" and thereby generate either "the break-up or gradual melting of Soviet power." Kennan viewed a regime change ("break-up") or moderation of unacceptable foreign policy behavior ("mellowing") as

alternative paths to the Soviet Union's transformation from a revolutionary totalitarian state into a traditional great power. These two policy objectives—regime change and behavior modification—continue to motivate U.S. strategies toward rogue states in the post-Cold War era.

As reflected in Kennan's formulation of a Cold War containment strategy in the "X" article, policy-makers often articulate multiple policy objectives of varying time horizons with respect to the target state. In the case of the Soviet Union, the Truman administration's immediate goal was to prevent the further extension of Soviet power westward in Europe—an objective embodied in the creation of NATO in 1949. Beyond the immediate post-World War II challenge, however, Kennan conceived of containment as essentially an indefinite holding operation by the United States and its allies to deter Soviet expansionism and to increase external pressures on Stalin while the internal contradictions of Soviet society demanded change from within over the long term. He argued that the "break-up" or "mellowing" of Soviet power required "a long-term, patient but firm and vigilant" policy.⁴⁵ Kennan's containment doctrine thus embodied multiple political objectives, both immediate and long term.

This pattern has been evident in the formulation of American policies toward rogue states in the post-Cold War era. Consider the recent history of U.S. policy objectives toward Iraq. During the Gulf War, the Bush administration's declared objective was the liberation of Kuwait from Iraqi occupation. The overthrow of the Saddam Hussein regime itself was not part of the UN Security Council mandate and the United States's coalition partners, particularly the Arab states, would not have agreed to an expansion of the Gulf War's aims to encompass it. Nonetheless, a regime change in Baghdad was an implicit U.S. war objective given the prevailing belief within the Bush administration that the Iraqi military debacle in Kuwait would precipitate a coup or internal upheaval against Saddam Hussein.⁴⁶ After the Gulf War, this implicit objective became explicit as the Bush administration declared its intention to maintain economic sanctions on Iraq until Saddam Hussein was toppled. The Clinton administration issued a revised formulation that the sanctions regime would remain in place until Iraq complied with all Security Council resolutions. Elaine Sciolino of the *New York Times* reported, "The Administration argues that the Bush emphasis on Mr. Hussein's ouster raised false hopes, created a gap between American goals and those laid out in tough Security Council sanctions and threatened to divide the American-led coalition formed to confront Iraq. It has a convoluted explanation for

its own policy: Mr. Hussein must comply with United Nations sanctions so tough that he could not possibly comply and remain in power."⁴⁷

As the years since the Gulf War passed, and with no signs that the U.S. strategy of comprehensive containment would generate a regime change in Baghdad, tension over objectives developed in the Clinton administration's policy toward Iraq. This clash of competing objectives was highlighted during the 1997-98 showdown between Iraq and the Security Council over unfettered access of UNSCOM inspectors to suspected WMD sites. In March 1997, months prior to the onset of the autumn 1997 crisis instigated by Saddam Hussein, Secretary of State Albright laid out a hard-line case for rollback—that is, explicitly seeking the removal of Saddam Hussein from power. In her speech, entitled "Preserving Principle and Safeguarding Stability," Albright stated that "a change in Iraq's government could lead to a change in U.S. policy" and that the Clinton administration stood ready "to enter rapidly into a dialogue with a successor regime."⁴⁸ When the autumn 1997 crisis began, the Clinton administration found itself under pressure from other Security Council members to back off this hard-line objective. To woo the support of France and the Arab states, the administration stopped asserting that sanctions would remain in place until Saddam Hussein was replaced by a "successor regime." The British government supported this softer line to maintain the last vestiges of the Gulf War coalition and to provide some incentive for Saddam Hussein to permit the resumption of UNSCOM inspections.⁴⁹ In a major address at the height of the showdown with Iraq in February 1998, President Clinton articulated this narrowing of the U.S. objective. He stated that "our purpose is clear. We want to seriously diminish the threat posed by Iraq's weapons-of-mass-destruction program. We want to seriously reduce his capacity to threaten his neighbors."⁵⁰ In this formulation of American policy, the emphasis was on disarming Iraq and "keeping Saddam in his box," not unseating him from power. The administration came under harsh criticism from the Republican leadership in Congress for its retreat from the hard-line position articulated by Albright in March 1997. In the aftermath of the 1997-98 crisis, the Clinton administration's Iraq policy continued to oscillate between objectives. The *Wall Street Journal* reported that the administration, again embracing the goal of a regime change in Baghdad, had sought "broad new authority from Congress to plan and mount covert operations against [the] Iraqi dictator."⁵¹

U.S. policy toward Iraq after the Gulf War will be examined in greater detail in Chapter 4. The pertinent point in the context of this chapter re-

lates to the process by which policy-makers determine objectives—and then translate those goals into specific strategies tailored to the particularities of the target state. This discussion, which began with Kennan's original containment doctrine and ended with the post-Cold War challenge of Saddam Hussein's Iraq, has highlighted that policy-makers will often pursue multiple objectives of varying time frames. That condition, in turn, will require flexible strategies that themselves consist of multiple tracks to accommodate these short- and long-term goals.

At times, as evidenced in the U.S. experience with Iraq after the Gulf War, these multiple objectives (e.g., keeping Saddam Hussein "in his box" in the short term, toppling him from power in the long term) may be at odds. Political requirements, such as conditions within the target state or the attitudes of other key actors, may require an emphasis of one over another. The Clinton administration, muting its call for Saddam Hussein's overthrow and emphasizing the need for Iraq to comply with the UN weapons inspection regime, did this to maintain the anti-Iraq coalition during the UNSCOM crisis in late 1997. The downside of this type of tactical adjustment in declaratory policy is that it does raise questions about the policy-makers' commitment to their long-term objective. Thus, critics asked whether the administration was going "wobbly" (in British prime minister Margaret Thatcher's colorful phrase from 1990) and reconciling itself to Saddam Hussein's continued rule as long as he was contained within his borders. In August 1998, questions about U.S. objectives were raised when UN weapons inspector Scott Ritter resigned from UNSCOM, claiming that U.S. officials had intervened on two occasions to prevent inspections. Albright and Assistant Secretary of State Martin Indyk affirmed the U.S. commitment to the inspection regime and the continuation of sanctions. Senior officials argued that the administration was seeking to build broad support in the Security Council for the continuation of sanctions and wished to avoid a premature show-down over inspections.⁵²

The Cold War experience with the Soviet Union and the Iraqi case highlight the challenge that decision-makers face in their pursuit of multiple policy objectives. This analysis has focused on the ends of American foreign policy. Attention will now shift to the question of means—that is, translating policy objectives into specific strategies. As argued throughout this study, this task requires policy-makers to move beyond the false containment-engagement dichotomy and to formulate a repertoire of targeted strategies across a continuum of choice. The spectrum of possible relationships between states ranges from military conflict to

an alliance partnership. For the purposes of this study, the focus will be on that part of the continuum that relates to the variegated threats posed by those countries referred to as rogue states.

In *Strategies of Containment*, Gaddis developed the concepts of "symmetrical" and "asymmetrical" containment to explain the evolution of American strategy toward the Soviet Union from Truman to Carter. He persuasively argued that the oscillations in this Cold War containment policy stemmed as much from U.S. domestic political and economic considerations as from Soviet foreign policy behavior. This study argues that, in the post-Cold War era, the political typing inherent to the rogue state approach has had a major distorting impact on American policy. In the case of the U.S. "dual containment" policy toward Iran and Iraq, a Council on Foreign Relations task force led by former national security advisers Brzezinski and Brent Scowcroft, along with former ambassador Richard Murphy, called for the adoption of an alternative approach of "differentiated containment." Such an approach needs to be extended beyond these two Persian Gulf states to encompass the entire set of countries labeled as rogue states. In so doing, the generic rogue state approach would be supplanted by *strategies of differentiated containment* that are designed to address the particularities of each case. The purpose of this study is not to advance any particular policy option in relation to these states. Rather, the analysis presented here is to argue for the adoption of this analytical framework as the basis for determining specific policies. The pertinent strategies within such a typology can be clustered under three categories: (1) rollback (an overt strategy to change the regime); (2) comprehensive containment (politico-economic isolation and military deterrence); and (3) conditional containment (mixed strategies that integrate an engagement component into an overall containment approach). This discussion will not consider strategies oriented more toward engagement (e.g., conditional engagement), since such options, although theoretically possible, are not politically plausible given current conditions.⁵³ A brief description of each category of strategies follows.

Rollback. The objective of this strategy is to alter the status quo—either by reversing regional aggression (e.g., following the Soviet invasion of Afghanistan) or changing a rogue regime (e.g., Saddam Hussein). This term, whose political roots can be traced to the early Cold War era, was used by critics of the Truman administration's containment strategy during the 1952 presidential election campaign. These hard-line critics considered the policy too "static" and "passive." In its place, they advocated

that the United States adopt an assertive policy to "liberate" East European states under Red Army occupation and roll back Soviet power. The political high point for rollback came in the wake of the East German uprising in June 1953. The Eisenhower administration, initially surprised by the extent of anticommunist civil disorder, quickly responded with the adoption of NSC-158. That document asserted that the June 1953 event had created "the greatest opportunity for initiating effective policies to help roll back Soviet power that has yet come to light."⁵⁴ NSC-158 specified measures (covert operations, "elimination of key puppet officials," etc.) to implement this rollback strategy. Within weeks, however, the Eisenhower administration backed away from this provocative psychological warfare plan in the face of strong reservations both within the U.S. government and among U.S. allies. President Eisenhower's reluctance to run the risks of rollback was again demonstrated during the 1956 Hungarian Revolution. Despite Secretary of State John Foster Dulles's excessive rhetoric, the administration refused to take any supportive action for the rebels in what was acknowledged to be the de facto Soviet sphere of influence.

Rollback rhetoric was revived in the early 1980s. Ronald Reagan assumed the presidency sharply critical of his predecessors' strategy toward the Soviet Union. Reagan condemned the détente policies of Nixon-Kissinger and Carter for their seeming acceptance of the status quo and failure to deter Soviet adventurism in the Third World. The Reagan administration's strong rhetoric was reflected in Secretary of State Alexander Haig's assertion that the United States was prepared to "go to the source" and blockade Cuba in order to halt Havana's support for Central American insurgency movements. Many questioned whether Reagan was embracing rollback as a hard-line alternative to containment. While radical in rhetoric, the Reagan administration was prudent in action. It continued to pursue core elements of the American policy toward the Soviet Union inherited from the 1970s, most notably in the area of arms control. The administration did, however, integrate a significant rollback component into its overall containment strategy in the form of the Reagan Doctrine.⁵⁵ This policy targeted vulnerable, pro-Soviet regimes in the Third World by providing military assistance to anticommunist insurgency movements to topple them. These groups included, most notably, the Nicaraguan Contras, the Afghan mujahideen, and Angola's UNITA.

Rollback strategies seek not merely to contain the target state within its borders, but to overthrow its ruling regime through a variety of mechanisms (ranging from covert intelligence operations to overt support for

an external opposition group). The policy, in short, aims to assertively alter the status quo. With respect to the Clinton administration's roster of rogue states, the only case in which there has been substantial public discussion about the feasibility of a rollback strategy has been Iraq.

Comprehensive Containment. This strategy, alternatively referred to as "broad" or "hard" containment, has been the generic policy pursued by the Clinton administration toward rogue states (with the notable exception of North Korea). It employs economic, diplomatic, and military instruments to isolate the target state and deter its ruling regime from regional aggression. By levying tangible costs for unacceptable actions, the strategy aims to moderate the target state's behavior in the short run. Over a longer time period, comprehensive containment and isolation may generate domestic pressures leading either to the overthrow of the regime or a change in its ideology and foreign policy orientation. Comprehensive containment was the policy advanced by Kennan in his "X" article. Kennan held little hope for fruitful negotiations with Stalin's Soviet Union. His initial formulation of containment was essentially an indefinite holding operation to promote either the "mellowing" (i.e., moderation) of the Soviet regime or its "break-up." American strategy shifted from comprehensive to conditional containment following the death of Stalin and the recognition that the reality of the Soviet Union as a nuclear-armed superpower necessitated substantial engagement on issues of mutual interest (such as arms control).

A most extensive containment regime has been directed at Iraq in the wake of the Gulf War. The "four pillars" of this strategy have been UNSCOM inspections to monitor the destruction of Iraq's WMD capabilities, multilateral economic sanctions, no-drive and no-fly military exclusion zones in northern and southern Iraq, and the threatened use of force to deter Iraqi aggression and ensure Baghdad's compliance with Security Council resolutions.⁵⁶ While this strategy has met the minimum objective of keeping Saddam Hussein "in his box," it has not led to his ouster (contrary to the Bush administration's widely shared view that the Iraqi dictator would not survive the Gulf War debacle).

In pursuing the comprehensive containment of rogue states, the Clinton administration's primary policy instrument has been economic sanctions. Economic sanctions have been the cutting edge of American coercive diplomacy toward rogue states. During the post-Cold War era, the executive branch and Congress have had "the tendency to see economic sanctions as 'below' the use of military force on some imagined ladder of

foreign policy escalation. . . .⁵⁷ Military power has been exercised less demonstratively to deter aggression, but not to compel changes in behavior. The exception to this general pattern has been Iraq, where the United States and Britain have threatened air strikes to force Iraqi compliance with Security Council resolutions on weapons inspections. They are intended to ratchet up economic pressure on the target state's ruling regime and demonstrate that unacceptable rogue behavior carries a considerable economic price.

The United States employed sanctions multilaterally in the cases of Iraq and Libya, and unilaterally in the case of Iran. The Clinton administration struggled to maintain political support in the Security Council for the continuation of sanctions against Iraq and failed to win multilateral backing for sanctions against Iran. The record of success has been mixed. Sanctions failed to either coerce Saddam Hussein from withdrawing from Kuwait prior to the Gulf War or generate sufficient pressures in its aftermath to oust him from power. They have, however, significantly retarded the reconstitution of the Iraqi dictator's military machine and his ability to challenge neighboring states. Saddam Hussein's fitful cooperation with the UNSCOM weapons inspection regime has come only after the United States and Britain have credibly threatened the use of force. What success economic sanctions have had in affecting Iraqi behavior has stemmed from their multilateral character. With each passing year that Saddam Hussein ruthlessly clings to power (and, indeed, consolidates his domestic position, in the view of country specialists), international political support for the continuation of UN sanctions wanes. But the United States and Britain remain ready to veto any move to weaken full-scope sanctions in the Security Council until UNSCOM finds Iraq in full compliance with all Security Council resolutions, most notably those pertaining to the destruction of its WMD capabilities.⁵⁸

In contrast to the Iraqi case, American sanctions targeted at Iran (as discussed above) have been the focal point of an ongoing transatlantic political dispute because of their unilateral and extraterritorial nature. The impact of the ILSA on Iran's behavior and foreign policy orientation remains a source of contention. ILSA proponents argue that U.S. sanctions generated economic pressures that contributed to the election of President Khatami, a political moderate. Critics counter that unilateral sanctions internationally isolated the United States, not Iran. During 1997-98, American oil companies protested their inability to invest in Iran because of U.S. statutes and the consequent loss of business to European firms. Administration officials maintained that oil revenues would prop up the

Teheran regime (thereby insulating it from the consequences of rogue behavior) and fuel the development of its WMD capabilities. Undersecretary Eizenstat stated, "This is a situation where the strategic interests of the United States are so great that they outweigh temporary advantages of American companies. . . . This seems to be a factor the Europeans discount. We don't have the luxury of discounting the strategic burden."⁵⁹

The controversy over Iran is embedded in a broader policy debate, beyond the scope of this study, concerning Washington's widespread use of economic sanctions in the post-Cold War era. By mid-1998, the Clinton administration and the Republican leadership in Congress, under pressure from the American business community, began to reassess the reliance on economic sanctions as the foreign policy instrument of first choice and an alternative to the use of military force.⁶⁰ Debate focused on the scope of sanctions (comprehensive versus targeted) and whether the United States should employ them unilaterally or only in concert with others.⁶¹

The experience with Libya reveals a political tension between the scope of economic sanctions and the degree of multilateral participation. The United States imposed comprehensive unilateral sanctions on Libya in 1986 for its support of international terrorism. Partial multilateral sanctions were imposed in 1992 in response to Qaddafi's refusal to extradite for trial two Libyan intelligence officers implicated in the 1988 Pan Am bombing. These sanctions, which included an arms embargo and the cutoff of civilian air flights, had reduced impact on the Qaddafi regime because they excluded the sale of petroleum products (which provides Libya some \$10 billion annually in revenues). During this political stalemate, the Clinton administration maintained international backing for limited sanctions on Libya but did not win support to broaden their scope.⁶² In April 1999, the Security Council suspended sanctions after the Qaddafi regime, desiring to break out of its political pariah status and under increased economic pressure because of the downturn in world oil prices, surrendered the two suspects for trial by a special court in the Netherlands.⁶³ In July 1999, however, the Clinton administration threatened to veto a proposed Security Council resolution to formally lift sanctions, arguing that such a move could come only after Libya had compensated the victims' families and ended support for terrorist groups.⁶⁴

In a recent study on sanctions, John Stremmler of the Carnegie Commission on Preventing Deadly Conflict concluded, "Washington . . . has learned important lessons about the efficacy of sanctions in the post-Cold War era. The most important is that the broader the international

support the more likely the regime will be effective. . . . But the brief post-Gulf War surge in UN mandated sanctions . . . reconfirms that achieving multilateral consensus is rarely a simple process. Full scope sanctions, as used against Iraq and the former Yugoslavia, are the most difficult, especially if the goal is to change a regime or a government's national security policies."⁶⁵ This conclusion underscores the dilemma of comprehensive containment. The success of this strategy relies on full-scope sanctions supported multilaterally. And yet, the broader the sanctions regime the more difficult it is politically to win multilateral support.

The difficulty in obtaining and then sustaining multilateral support for broad sanctions, even in the case of rogue states like Iraq and Libya, has prompted calls for an alternative approach that would feature targeted sanctions linked to narrower foreign policy objectives. In the case of Iran, for example, critics of the ILSA argued that narrower sanctions aimed at specific areas of concern, such as WMD proliferation, would enjoy broader international support and be more effective. Any such departure from full-scope sanctions on rogue states is likely to encounter stiff opposition in Congress because of their demonized status in American politics. As argued above, the process of demonization that mobilized support for comprehensive containment will make any change in policy highly problematic, even when altered political circumstances might warrant it. Comprehensive containment has been the default strategy pursued toward those countries designated by the Clinton administration as rogue states with the significant exception of North Korea.

Conditional Containment. This strategy is a hybrid combining the traditional elements of containment (such as the deterrence of expansionism) with limited engagement (i.e., positive incentives) to induce changes in the target state's behavior and foreign policy orientation. This strategy may utilize an approach described in the scholarly literature as "conditional reciprocity"—that is, linking meaningful changes in behavior to each concession or benefit.⁶⁶ The objective of the strategy is to use the enticement of "carrots," backed by the deterrent threat of "sticks," to motivate the target state to cease unacceptable, rogue foreign policy behavior. The process of limited engagement is intended (in Kennan's term) to "mellow" the regime and lead to an evolutionary change in its foreign policy orientation that will permit its resocialization into the international community. Again, it is important to distinguish between short-term objectives relating to specific behavioral changes and the longer-term goal of transforming the target state's ruling regime.

The Nixon-Kissinger détente policy toward the Soviet Union in the early 1970s is a prominent recent example of conditional containment. The essence of the Nixon-Kissinger strategy was to constrain Soviet behavior through the creation of linkages (or what Kissinger called a "web" of relations) between military, political, and economic issue areas. The underlying assumption was that positive inducements, such as favorable trade terms and access to Western technology, would give the Kremlin a tangible stake in what Nixon termed "the emerging structure of peace." The détente process would thereby promote more responsible Soviet foreign policy behavior, most notably in the Third World. The Nixon-Kissinger détente policy founded, however, on the Soviet leadership's ability to compartmentalize relations and frustrate the Nixon administration's efforts to establish linkages. The mutuality of superpower interest in arms control made it impossible, in practice, for Washington to link progress on strategic nuclear arms limitation (e.g., the Strategic Arms Limitation Treaty [SALT II]) to Soviet support of Third World insurgency movements from Angola to Vietnam. Thus, the Nixon-Kissinger détente policy provided not an alternative to superpower competition, but a set of tacit understandings to govern it given the omnipresent danger of inadvertent military escalation to the nuclear level. Détente, in short, was revealed to be a condition, not a structure, of international relations.⁶⁷

This strategy of conditional containment also encountered political difficulties on the U.S. domestic front. President Nixon's hyperbolic characterization of U.S.-Soviet détente mobilized political support for his policies but also raised false expectations. The continuing competitive quality of the relationship was dramatically evidenced during the October 1973 Arab-Israeli War. Soviet leader Leonid Brezhnev's threat to intervene in support of Egypt prompted Nixon to order a heightened alert status for U.S. nuclear forces as a signal of American resolve to forestall such a unilateral action. That crisis contributed to a public backlash against détente. Conservative critics argued that détente had become a "one-way street" and asked how the Nixon administration could "trust" the Kremlin to implement arms control agreements if it could not be trusted in the Middle East. Moreover, domestic interest groups began to push their own linkage policy. For example, congressional legislation championed by Senator Henry Jackson (D-Wash.), the 1974 Jackson-Vanik Amendment, explicitly linked the expansion of U.S.-Soviet trade to Jewish emigration from the Soviet Union.

Through détente, Nixon and Kissinger sought to transform the U.S.-Soviet relationship from "competitive" to "cooperative" coexistence.

This mixed strategy of containment and engagement sought to alter the overall superpower relationship by forging linkages across issue areas (e.g., Vietnam and arms control). This ambitious strategy, conceptually flawed in the eyes of many, failed primarily because of its inability to overcome the fundamentally contending Soviet and American conceptions of international order. Although the Nixon and Kissinger carrot-and-stick approach was not able to constrain Soviet adventurism in the Third World, the fact is that both superpowers sought unilateral political advantage at the expense of the other. The Soviet Union did this militarily at the outset of the Angolan civil war in 1975-76; the United States did it politically in the Middle East following the October 1973 war. Although the Brezhnev policies of the 1970s generated a political backlash against détente, the administrations that followed Nixon's maintained the principal elements of conditional containment (i.e., maintaining some degree of engagement with Moscow). Kissinger argued that the dangerous realities of the nuclear age necessitated continued dialogue. Even Ronald Reagan, the most vociferous critic of détente, who came to power in the wake of the Soviet invasion of Afghanistan, did not revert to a strategy of comprehensive containment.

In the post-Cold War era, the Clinton administration has pursued a strategy of conditional containment toward North Korea. This policy stands in sharp contrast to that adopted toward the other countries designated by it as rogue states. In those cases, the administration has implemented a generic approach—a strategy of comprehensive containment that seeks to isolate, deter, and punish the target states, that eschews any meaningful engagement, and that demonizes them to mobilize political support for this hard-line policy. The Clinton administration departed from this default strategy in the face of the imminent danger posed by North Korea's mature nuclear weapons program. Its recourse to a mixed strategy that included policy inducements was taken in the absence of any better alternative. The policy shift during the 1993-94 showdown with North Korea stemmed from the recognition that a purely punitive strategy to compel the Pyongyang regime to forego its nuclear option and resume its NPT obligations was unlikely to be successful. A military strike to destroy North Korea's nuclear infrastructure, advocated by some conservative newspaper columnists and Republican critics, carried unacceptable risks. Within the Clinton administration, most notably in the Pentagon, such an action was viewed as a probable catalyst for a general war on the Korean Peninsula. Beyond the military option, a punitive strategy based on economic sanctions was also highly

problematic, given the Chinese government's cool attitude toward any such tough measures.

The Agreed Framework, with its "elaborately choreographed steps," in the words of nonproliferation specialist Leon Sigal stipulated that the dismantlement of North Korea's nuclear facilities and the construction of replacement light-water reactors were designed to proceed in tandem.⁶⁸ Satisfactory completion of mutual obligations at each stage would be required before the initiation of the next. But beyond the nuclear issue, the Agreed Framework also committed "the two sides [to] move toward full normalization of political and economic relations." The bilateral agreement thus provided a "framework" for expanding the scope of diplomatic engagement with the Pyongyang regime to address important collateral issues, such as the resumption of a North-South dialogue, North Korean ballistic missile transfers, and food aid to North Korea.

The U.S.-North Korean nuclear accord is a remarkably creative example of a negotiating approach referred to in the scholarly literature as "conditional reciprocity." In this case, however, congressional and other critics often denounce the use of positive inducements as being "appeasement." The "engagement" of an adversary under conditional reciprocity can be clearly distinguished from "appeasement" in three important respects. First, the inducement must be tied to specific changes in the target state's behavior, not general expectations of improved behavior. Second, the reward should come only after the specific change in behavior. If the reward is provided in advance of behavior modification or is not linked to a specific behavioral change, it may be legitimately criticized as a bribe. And third, such an approach depends on mutual adherence to the specific conditional reciprocal steps in the sequence. If the target state does not fulfill its obligations, the process can be halted and the benefit withdrawn.⁶⁹ The negotiation and implementation of the Agreed Framework will be examined in greater detail in Chapter 6.

The distinctive North Korean experience raises an important issue, with potentially broader implications, relating to the engagement of a target state. What are the conditions under which a target state would seek engagement with the United States, and vice versa? Recent historical experience both during and after the Cold War points to two factors that would prompt a diplomatically isolated target state to seek engagement with the outside world.

The first such condition is a state of economic crisis threatening the stability of the ruling regime. Although little is known about the inner workings of the Pyongyang regime, the country's deepening economic

problems were a key determinant in North Korean leader Kim Il Sung's decision to initiate a limited opening to the West. In December 1993, the regime made the stunning public admission that the North Korean economy was in a "grave situation."⁷⁰ The economic gap with South Korea was becoming a chasm. Meanwhile, the Soviet Union and China, North Korea's great power patrons, were demanding hard currency payments for oil and other essential commodities. Neither continued autarky nor reliance on communist allies was an option for the Pyongyang regime. Under these conditions, Kim Il Sung reportedly sided with pragmatists inside the regime and approved limited engagement with the outside world. With no other bargaining assets, the Kim regime used the North Korean nuclear program to seize Washington's attention. While its nuclear program provided bargaining leverage, the factor underlying the Kim regime's decision to embark on a policy of engagement with the United States was its dire economic crisis—a continuing condition that has prompted references to North Korea as a "failed state."

A second factor that could precipitate a diplomatically isolated state to seek engagement with an outside power is an overriding national security threat. Consider the case of China during the period leading up to Kissinger's secret mission to Beijing in July 1971. China was a radical state then emerging from the traumas of the Cultural Revolution. Mao Zedong's communist government was virulently anti-American in rhetoric and was providing important military assistance to the North Vietnamese in their war against the U.S.-backed Saigon regime. U.S. strategy toward China was essentially one of comprehensive containment. A dramatic change in Beijing's foreign policy orientation, however, was precipitated by a sharp deterioration in relations with Moscow following the Soviet invasion of Czechoslovakia in August 1968. Clashes along the Sino-Soviet border in 1969, as well as rumors that the Soviet Union was sounding out Warsaw Pact diplomats about a preemptive strike on Chinese nuclear facilities, underscored China's vulnerability to external attack. This Soviet strategic threat prompted a diplomatic countermove by Mao that eventually yielded a Sino-American rapprochement. The opening to Washington, historian Roderick MacFarquhar observed, "undermine[d] the calculations of the Russians as to the impunity with which they could attack China."⁷¹ A core threat to Chinese national security from its former communist ally thus led to the initiation of a strategic dialogue with Beijing's longtime adversary.

A more recent example of this phenomenon involves one of the countries designated by the United States as a rogue state. In 1985-86, Iran

conducted secret negotiations with the United States over the supply of military hardware (anti-tank and air-defense missiles) in return for Teheran's assistance in obtaining the release of American hostages held in Lebanon. That Iran entered into these direct, if covert, talks with the "Great Satan" was a reflection of its dire military state in the war with Iraq. With the depletion of its U.S. military stocks (inherited from the Shah's era), the politically unthinkable became a military necessity for the Khomeini regime. After the "arms for hostages" scandal broke in 1986, relations between Teheran and Washington reverted to their prior state of enmity. But, as Middle East experts Shahrām Chubin and Charles Tripp wrote, "Something important had been broached in the act of contact. Iran had survived the political revelations about the contacts and the even more embarrassing links with Israel. . . . [President Hashem] Rafsanjani continued . . . to pose conditions for a renewal of formal relations, but he also referred with some regularity to the channels established and the eventual resumption of ties."⁷² Whatever the flaws and illegalities of the "arms for hostages" deal, the salient point in this context is that Teheran's interest in limited engagement with the United States stemmed from the overriding Iraqi military threat.

For the United States, the conditions under which Washington has shifted from a strategy of comprehensive to conditional containment have also been tied to national security concerns. In the case of China cited above, Nixon and Kissinger shared Mao's motivation to initiate a strategic dialogue because they viewed China as an important counterweight to Soviet power during a period when the Kremlin was becoming increasingly assertive. Likewise, the Reagan administration's National Security Council considered the covert dialogue with Iran as a means of countering Moscow's influence in a geostrategically important country on the Soviet Union's southern border. Relative to national security motivations, economic factors have not played a discernible role in Washington's decision to undertake limited engagement with a pariah state.

This chapter has focused on the development of targeted strategies to address the varied threats posed by the countries grouped under the rogue state rubric. That process of differentiation requires a fuller understanding of the conditions, as in the North Korean case, under which policymakers would shift from a generic strategy of comprehensive containment to a mixed strategy of conditional containment incorporating a significant degree of engagement with the target state. For the foreign policy community, officials and academic analysts alike, this shift from a generic to a differentiated approach poses major challenges both of conceptualiza-

tion and implementation. Moreover, it has implications that go beyond the small group of dangerous but politically marginalized rogue states.

U.S. policies toward other problematic countries, such as China and Pakistan, have also been caught up in the debate over containment and engagement. Differentiation would permit the formulation of mixed strategies that reflect the complex nature of American relations with these countries. The U.S. relationship with China, for example, combines deep economic engagement with official concern about Chinese behavior with respect to nonproliferation and Taiwan. The debate over China policy has now moved beyond the sterile containment-engagement dichotomy. Within the typology of strategies developed earlier in this chapter, the U.S. approach would fall under the category of "conditional engagement."⁷³ The focus in that discussion was on the range of strategies that might be pursued toward those countries under the rogue state rubric—rollback, comprehensive containment, and conditional containment. Conditional engagement is the next category of strategy along this continuum of policy choice. As indicated in the term, it is a strategy combining containment and engagement, but in which the engagement component is very substantial. This study's critique of the rogue state approach is by no means intended as an unqualified recommendation for engagement. Indeed, an extreme case of regime pathology, such as Iraq, might well warrant a shift from comprehensive containment (i.e., keeping Saddam Hussein "in his box") to an overt strategy of rollback. The selection of this or any strategy, however, is contingent on the amalgam of factors that go into target state analysis. In Part II, this topic—strategy formulation and differentiation—will be explored more fully in the context of case studies on U.S. policy toward Iraq, Iran, and North Korea.

NOTES

¹ "Differentiated containment" was advocated by Zbigniew Brzezinski, Brent Scowcroft, and Richard Murphy as an alternative to the U.S. "dual containment" strategy toward Iran and Iraq in *Differentiated Containment: U.S. Policy toward Iran and Iraq—Report of an Independent Task Force* (New York: Council on Foreign Relations, 1997). This book will apply the concept more broadly in addressing the full range of countries that the Clinton administration has designated as rogue states.

² Because of its usage by U.S. policy-makers, some foreign leaders have picked up the term, particularly when addressing an American audience. For example, British foreign secretary Robin Cook recently wrote, "The United States and Europe have together put in place an impressive net to prevent *rogue countries* from being able to build . . . weapons [of mass destruction]." See Robin Cook, "The Good Fight after the Cold War," *Washington Post*, March 29, 1998, p. C7 (emphasis added).

³ Secretary of Defense William Cohen, in a letter attached to a threat assessment on Cuba requested by Congress, stated that he is concerned about the potential for

Cuba to develop biological weapons because of its civilian biotechnology industry. There is no indication, however, that Cuba is attempting to develop such weapons, and previous Department of Defense publications on weapons proliferation did not mention Cuba as a country of concern in this area. See Dana Priest, "Cuba Poses 'Negligible' Threat, Report Says: Potential to Develop Biological Agents Still Concerns Defense Secretary Cohen," *Washington Post*, May 7, 1998, p. A8.

⁴ Indeed, Latin American states are openly defying U.S. efforts to isolate Cuba. See, for example, James Brooke, "Latin America Now Ignores U.S. Lead in Isolating Cuba," *New York Times*, July 8, 1995, pp. A1, 5.

⁵ Testimony of Ambassador Philip Wilcox, State Department coordinator for counterterrorism, in U.S. House, Committee on International Relations, "Syria: Peace Partner or Rogue Regime?" (104th Cong., 2nd sess., 1996), pp. 15–16.

⁶ *Ibid.*, p. 23.

⁷ Robert Manning, "India, the Rogue Democracy," *Los Angeles Times*, May 17, 1998; Richard Haass quoted in Judith Miller, "New Blasts Shake Foundation of Effort to Limit Nuclear Arms," *New York Times*, June 3, 1998, p. A8.

⁸ Citing Sudan's support for Lord's Resistance Army in northern Sudan, an administration official characterized Sudan as the greatest threat to peace in sub-Saharan Africa. Secretary of State Albright met with Sudanese opposition leaders during her December 1997 trip to Africa to "ratchet up the pressure" on the Khartoum regime. See Thomas W. Lippmann, "Albright Vows New Pressure on Sudan," *Washington Post*, December 11, 1997, p. A29.

⁹ "The Menace of Sudan" (editorial), *Washington Post*, December 4, 1996.

¹⁰ David Ottaway reported that administration officials "have struggled to provide a consistent rationale" for Sudan's exemption from the 1996 Anti-Terrorism Act (Ottaway, "GOP Targets Sudan Loophole," *Washington Post*, February 7, 1997, p. A30). Some observers suggested that this exemption was made to permit Occidental Petroleum to pursue a lucrative oil exploration deal with Sudan. The reason for the collapse of the Occidental deal is unclear; it was alternately attributed to pressure from the Clinton administration on the U.S. firm to forego the exploration or the failure to reach satisfactory commercial terms. On November 4, 1997, Secretary Albright announced the extension of U.S. sanctions on Sudan. See Reuters, "Linking Sudan to Rights Abuses and Terror, U.S. Adds Penalties," *New York Times*, November 5, 1997, p. A7. The administration's action provided exceptions for certain activities "in the U.S. interest," such as imports of gum arabic, a key ingredient in candy and sodas.

¹¹ Reuters, "U.S. Raps Burma for Arrests," *Washington Post*, May 22, 1997, p. A26.

¹² An example of this effort to demonize rogue states can be found in Secretary of State Warren Christopher's March 1995 statement regarding Iranian behavior in the Middle East: "Wherever you look, you will find the evil hand of Iran in this region." Quoted in Elaine Sciolino, "Condemning Iranian Oil Deal, U.S. May Tighten Trade Ban," *New York Times*, March 10, 1995, p. A2.

¹³ Mitchell Reiss, *Bridled Ambition: Why Countries Constrain Their Nuclear Capabilities* (Washington, DC: Woodrow Wilson Center Press, 1995), p. 284.

¹⁴ Don Oberdorfer, *The Two Koreas: A Contemporary History* (Boston: Addison-Wesley, 1997), p. 364.

¹⁵ Michael S. Lelyveld wrote, "While the change is still only rhetorical, it may mark a milestone in U.S. policy. Government officials and Korea experts say the United States has embarked on an initiative to influence and eventually open the mysterious Marxist nation, building on the nuclear accord. . . . The administration wants Pyongyang to become a 'more responsible member of the international community,' said one official." Donald Gregg, former U.S. ambassador to Seoul, added, "We wouldn't conduct liaison with a pariah." See "U.S. Removes North Korea from List of 'Pariah States,'" *Journal of Commerce*, February 2, 1996, p. 1.

¹⁶ For an excellent discussion of this issue see "Secondary Boycotts and Allied Relations," in International Institute for Strategic Studies (IISS), *Strategic Survey 1996/97* (London: Oxford University Press, 1997), pp. 46-47ff.

¹⁷ Televised interview on March 13, 1996, at the close of the multilateral summit on terrorism held in Egypt. Quoted in Simon Serfaty, "Europe and the United States in the Gulf," paper presented at the meeting of the U.S.-Iran Study Group, Nixon Center, Washington, DC, April 1997.

¹⁸ James Woolsey, "Appeasement Will only Encourage Iran," *Survival* 38, no. 4 (Winter 1996/97), p. 18; cited in Serfaty, "Europe and the United States in the Gulf."

¹⁹ Robert Satloff, "America, Europe, and the Middle East in the 1990s: Interests and Policies," in Robert D. Blackwill and Michael Stürmer, eds., *Allies Divided: Transatlantic Policies for the Greater Middle East* (Cambridge, MA: MIT Press, 1997), p. 27. See also Phebe Marr, "The United States, Europe and the Middle East: Cooperation, Co-optation or Confrontation," in B. A. Roberson, ed., *The Middle East and Europe: The Power Deficit* (London: Routledge, 1998), pp. 74-103.

²⁰ John R. Bolton, "Appeasement as a Way of Life," *New York Times*, July 28, 1996, section 4, p. 3.

²¹ Toby Roth, "New Iranian-Libyan Sanctions Will only Hurt U.S.," *Wall Street Journal*, August 6, 1996, p. A14.

²² "Speech by British Foreign Secretary, Mr. Robin Cook, to the European Institute, Washington, DC," press release, EU, January 15, 1998.

²³ In September 1997, these foreign firms concluded a five-year deal to invest \$2 billion to develop one of Iran's largest offshore gas fields, South Pars.

²⁴ "White House Press Release: Press Briefing by Mike McCurry," White House, Office of the Press Secretary, May 20, 1998.

²⁵ James Bennet, "To Clear Air with Europe, U.S. Waives Some Sanctions," *New York Times*, May 19, 1998, p. A6.

²⁶ Senator D'Amato expressed outrage at the waiver decision: "The decision is a mistake. It will send a signal to others that they can do business as usual with Iran at a time when Iran continues to pursue weapons of mass destruction and continues to support terrorism." Quoted in *ibid.*

²⁷ Testimony of Stuart Eizenstat, undersecretary of state for economic, business, and agricultural affairs, before the U.S. House Ways and Means Committee, Subcommittee on Trade, October 23, 1997, text available at www.state.gov/www/policy_remarks/971023_eizen_house.html.

²⁸ IISS, *Strategic Survey 1996/97*, p. 42.

²⁹ Joseph Jones, *The Fifteen Weeks* (New York: Viking, 1955), p. 143.

³⁰ Warren I. Cohen, *The Cambridge History of American Foreign Relations, vol. 4, America in the Age of Soviet Power, 1945-1991* (Cambridge: Cambridge University Press, 1993), pp. 254-55.

³¹ John Glenn, "Revenge of the Rogues," in U.S. Senate, Committee on Governmental Affairs, *Proliferation Watch* 4, no. 2 (March-April 1993), p. 1.

³² Gary Bauer, President of the Family Research Council, on *Meet the Press*, June 14, 1998, transcript obtained at www.msmbc.com.

³³ Steven Erlanger, "Citing Gains Clinton Says He Will Make China Visit," *New York Times*, May 27, 1998, p. A5 (emphasis added).

³⁴ Her comment was made on the *NewsHour with Jim Lehrer*, May 26, 1998, transcript obtained from the "Online NewsHour" site at <http://www.pbs.org>.

³⁵ Alexander George made this comment at a workshop on "U.S. Strategies toward 'Rogue States': Strategies, Instruments, and Objectives," Woodrow Wilson International Center for Scholars, Washington, D.C., May 13, 1997. This section draws heavily on Alexander L. George, *Bridging the Gap: Theory and Practice in Foreign*

Policy (Washington, DC: United States Institute of Peace Press, 1993), chapter 4, "Reforming Outlaw States and Rogue Leaders", pp. 45-60.

³⁶ CIA, Office of Public Affairs, "Jeremiah News Conference, June 2, 1998," transcript obtained at <http://www.odci.gov/cia>.

³⁷ At the press conference describing the findings of his review panel, Admiral Jeremiah stated that "you begin to fall into a pattern. You operate the way you expect things to happen and you have to recognize there is a difference and you could argue that you need to have a contrarian view that might be part of our warning process, ought to include some diversion thinkers who look at the same evidence and come to a different conclusion and then you test that different set of conclusions against other evidence to see if it could be valid." *Ibid.*

³⁸ To cite another pertinent example, prior to the May 1998 Indian nuclear test, CIA analysts discounted the public statements of the Hindu nationalist Bharatiya Janata Party (BJP) vowing to turn India into a nuclear power; most of the analysts believed that the BJP would moderate this position once in power. See James Risen, "India's A-Tests Prompt C.I.A. to Review Its Warning Systems," *New York Times*, July 4, 1998, p. A3.

³⁹ Cited in Shahram Chubin, *Iran's National Security Policy* (Washington, DC: Carnegie Endowment for International Peace, 1994), p. 38. Chubin concludes that "in comparison with either Saudi Arabia or Iraq, Iran's military expenditures and arms imports have been modest. . . . Compared with the baseline year of 1979 and the inventory inherited from the Shah, trends in military capability and balance have shifted against revolutionary Iran."

⁴⁰ George, *Bridging the Gap*, pp. 126-28.

⁴¹ Cited in *ibid.*, pp. 48-49. For a more detailed discussion of this issue see Philip Windsor, "Henry Kissinger's Scholarly Contribution," *British Journal of International Studies* 1, no. 1 (April 1975), pp. 27-37.

⁴² John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy* (Oxford: Oxford University Press, 1982), pp. 352-57.

⁴³ President Nixon laid out the realist case for engaging the Soviet Union in a June 1974 speech on "Pragmatism and Moral Force in American Foreign Policy": "Not by our choice, but our capability, our primary concern in foreign policy must be to help influence the international conduct of nations in the world arena. . . . We cannot gear our foreign policy to the transformation of other societies. In the nuclear age, our first responsibility must be the prevention of a war that could destroy all societies: We must never lose sight of this fundamental truth of modern international life. Peace between nations with totally different systems is also a high moral objective." Richard Nixon, "Pragmatism and Moral Force in American Foreign Policy," *Bulletin* (U.S. Department of State) 71, no. 1827 (June 1974), pp. 4-5.

⁴⁴ Anthony Lake, "Confronting Backlash States," *Foreign Affairs* 73, no. 2 (March/April 1994), p. 14.

⁴⁵ See George F. Kennan ("X"), "The Sources of Soviet Conduct," *Foreign Affairs* 25, no. 4 (July 1947), pp. 572-82.

⁴⁶ For an analysis of the Bush administration's internal deliberations concerning the termination of the Gulf War see Michael R. Gordon and Bernard E. Trainor, *The General's War: The Inside Story of the Conflict in the Gulf* (Boston: Little, Brown, 1995), pp. 476-77. A major reason for this view was an inaccurate battlefield assessment of Iraqi military losses (in particular, a failure to trace the elite Republican Guard divisions that escaped back into southern Iraq from Kuwait).

⁴⁷ Elaine Sciolino, "Taking on Iran and Iraq, but Separately," *New York Times*, April 11, 1993, section 4, p. 4.

⁴⁸ U.S. Department of State, Office of the Spokesman, "Secretary of State Madeleine Albright's Remarks at Georgetown University, 'Preserving Principle and Safeguarding Stability,' March 26, 1997."

⁴⁹ Reported in Jim Hoagland, "Crisis-Managing in a Fog," *Washington Post*, November 26, 1997, p. A19.

⁵⁰ President Clinton's remarks were made to the Joint Chiefs of Staff and Pentagon staff on February 17, 1998. See "In Clinton's Word: Containing the 'Predators of the 21st Century,'" *New York Times*, February 18, 1998, p. A9.

⁵¹ David Rogers, "Clinton Seeking Support for Plan against Saddam," *Wall Street Journal*, July 17, 1998, p. A16.

⁵² Thomas Lippman, "Albright Defends Handling of Iraq," *Washington Post*, September 10, 1998, p. A2.

⁵³ The next strategy along the containment-engagement continuum would be "conditional engagement," a mixed strategy in which the engagement component would be dominant (c.f. "conditional containment," in which the reverse is the case). U.S. policy toward China in the 1990s would fall under the category of "conditional engagement." Although the United States is heavily engaged with China economically, transfers of dual-use technologies to rogue states). Strategies of "conditional containment" are not appropriate for the problem states under consideration in this book and are mentioned here for the purpose of illustration, not policy recommendation.

⁵⁴ This discussion of the "rollback" strategy articulated in NSC-158 is drawn from Christian F. Ostermann, "Operationalizing Roll-back: NSC 158," *American Historical Review* 106, no. 3 (September 1996), pp. 1-7.

⁵⁵ See Fareed Zakaria, "The Reagan Strategy of Containment," *Political Science Quarterly* 105, no. 3 (1990), pp. 373-95, and Bruce W. Jentleson, "The Reagan Administration and Coercive Diplomacy: Restraining More Than Remaking Governments," *Political Science Quarterly* 106, no. 1 (1991), pp. 57-82.

⁵⁶ Patrick Clawson, ed., *Iraq Strategy Review: Options for U.S. Policy* (Washington, DC: Washington Institute for Near East Policy, 1998), p. 5.

⁵⁷ Richard Haass, "Sanctioning Madness," *Foreign Affairs* 76, no. 6 (November/December 1997), p. 78.

⁵⁸ See, for example, John M. Goshko, "Iraq Sanctions Stir Debate: New Approach Needed, Some Security Council Members Say," *Washington Post*, April 25, 1998, p. A13.

⁵⁹ Jane Perlez and Steve LeVine, "Curbs on Iran Anger American Firms," *New York Times*, August 9, 1998, p. A4.

⁶⁰ During 1993-96, U.S. sanctions were imposed 61 times—more than during the entire 1945-92 period. In January 1998, Undersecretary Eizenstat announced that the State Department would review the use of economic sanctions and announced guidelines for imposing such measures. Associated Press report in the *Washington Post*, January 8, 1998, p. A22.

⁶¹ See, for example, Eric Schmitt, "U.S. Backs Off Sanctions, Seeing Poor Effect Abroad," *New York Times*, July 31, 1998, pp. A1, 6; Gary Huftbauer, "The Snake Oil of Diplomacy: When Tensions Rise, the U.S. Peddles Sanctions," *Washington Post*, July 12, 1998, p. C1.

⁶² In August 1998, the United States and the United Kingdom proposed that the two Libyan suspects be tried before a panel of Scottish judges in a special court in the Netherlands. Qaddafi, who had earlier argued for a trial in a third country, balked at this proposal, declaring that further "negotiation" was required. Barbara Crossette, "Qaddafi Says 'Negotiation' Is Needed on Lockerbie Suspects," *New York Times*, August 28, 1998, p. A3.

⁶³ Anne Swardson, "Lockerbie Suspects Delivered for Trial," *Washington Post*, April 6, 1999, pp. A1, 16. This arrangement was criticized by some victims' families for limiting the judicial inquiry to the role of these low-level operatives and not exploring the possible involvement of the Libyan leadership in authorizing the bombing.

⁶⁴ Colum Lynch, "U.S. Threatens to Veto Libyan Sanctions," *Washington Post*, July 8, 1999, p. A18. This move coincided with the announcement that the United Kingdom had restored diplomatic relations with Libya.

⁶⁵ John Stremmler, *Sharpening International Sanctions: Toward a Stronger Role for the United Nations—A Report to the Carnegie Commission on Preventing Deadly Conflict* (Washington, DC: Carnegie Corporation, November 1996), pp. 18-19.

⁶⁶ George, *Bridging the Gap*, pp. 50-51ff.

⁶⁷ For a sustained analysis of the Nixon-Kissinger détente policy see Litwak, *Détente and the Nixon Doctrine*.

⁶⁸ Leon Sigal, *Disarming Strangers: Nuclear Diplomacy with North Korea* (Princeton, NJ: Princeton University Press, 1998), pp. 190-91.

⁶⁹ George, *Bridging the Gap*, pp. 55-56. For an extended discussion of the use of positive incentives in strategies of conflict prevention see David Cortright, "Incentive Strategies for Preventing Conflict," in David Cortright, ed., *The Price of Peace: Incentives and International Conflict Prevention* (New York: Rowman and Littlefield, 1997), pp. 267-301.

⁷⁰ Oberdorfer, *The Two Koreas*, p. 297. Oberdorfer reports that the North Korean economy, once roughly equal in size to that of the Republic of Korea (ROK), was then estimated to have a GNP equal to only one-sixteenth that of the ROK.

⁷¹ Roderick MacFarquhar, "The Succession of Mao and the End of Maoism, 1969-82," in Roderick MacFarquhar, ed., *The Politics of China, 1949-1989* (Cambridge: Cambridge University Press, 1994), p. 263.

⁷² Shahram Chubin and Charles Tripp, *Iran and Iraq at War* (London: I. B. Tauris, 1988), pp. 212-13.

⁷³ For an elaboration of this strategy as a U.S. policy option see James Shinn, ed., *Weaving the Net: Conditional Engagement with China* (New York: Council on Foreign Relations Press, 1996). See also David Shambaugh, "Containment or Engagement of China? Calculating Beijing's Responses," *International Security* 21, no. 2 (Fall 1996), pp. 180-209.

For some radicals, revolutionary activism abroad remains an integral part of Iran's identity and a source of legitimacy at home. This political duality—the contending visions of Iran as an ordinary versus a revolutionary state—is a major cause of the political schism evident within the Teheran regime and Iranian society at large. In turn, this duality has been reflected in the American policy approach toward Iran.

Since the revolution, American administrations have periodically sought to engage “moderates” inside the regime who purportedly desire to normalize Iran's relations with the external world. The election of Mohammed Khatami as Iran's president in May 1997 was viewed by the Clinton administration within that context. A year later, the opportunity created by President Khatami's meteoric political rise prompted a major policy address by Secretary of State Madeleine Albright in which she called on Iran to join the United States to develop “a road map leading to normal relations.”¹ This speech reflected the dominant strand of American policy in which the problem with Iran is defined with respect to its behavior, not the very nature of its ruling regime. This position, while widely supported, has been countered by those who argue that Iran's objectionable behavior is inextricably linked to the character of its revolutionary theocratic regime. Before the Khatami election, House Speaker Newt Gingrich (R-Ga.) and others in Congress called for a strategy to change the Teheran regime.

This question of “behavior” versus “regime” is not as pronounced as in the case of Iraq, where domestic U.S. political support for a rollback strategy to remove Saddam Hussein from power is substantial. In contrast to Iraq, the Teheran regime, which permits the only meaningfully contested elections in the entire Persian Gulf region, enjoys genuine domestic legitimacy. No significant political opposition exists that could lead to the ouster of the theocratic regime. Despite the minority position of those who continue to view the postrevolutionary regime itself as the core of the problem, the stated objective of U.S. policy is to moderate Iranian behavior and promote Iran's resocialization (to use political scientist Alexander George's term) into international society. The central question for American policy-makers is whether Iran's reformist president can negotiate such a transformation in the face of stiff domestic opposition from radical factions that want the Islamic Republic to remain true to its revolutionary roots. On the American side, domestic impediments to a changed relationship remain formidable given the legacy of the past (symbolized by the 1980–81 hostage crisis) and the demonization of Iran (as part of the rogue state policy's political mobilization

Iran: Revolutionary State or Ready to Rejoin the “Family of Nations”?

U.S. POLICY DEVELOPMENT

More than two decades after the Iranian Revolution of February 1979, U.S. relations with Iran remain powerfully influenced by its legacy. The revolution is a political prism through which the two countries view each other. American administrations from Carter to Clinton have grappled with the dual nature of postrevolutionary Iran—a duality reflected in its very name, the Islamic Republic of Iran. As a “republic,” Iran exists as a sovereign state in an international system of like states. Its “Islamic” character, however, asserts a legitimacy derived from a higher authority that transcends manmade political demarcations. After the revolution, radical elements of the country's new theocratic leadership vowed that Iran would “export” its revolution to other Middle East countries to create a transnational Islamic community. Although this rhetoric has moderated over time, the political tension created by Iran's dual nature persists. In short, is Iran an “ordinary” state that accepts the legitimacy of the international system or a revolutionary state that rejects its norms and seeks to radically alter, if not overturn, that system?

The dilemma of postrevolutionary Iran is reminiscent of the early Soviet era, when Stalin developed his doctrine of “socialism in one country” while simultaneously continuing activities to extend socialism and, not coincidentally, Soviet power globally. Iran's leaders have likewise concentrated their efforts on the establishment of what one might call (to extend the Soviet analogy) “Islam in one country.” Nonetheless, the Teheran regime continues to utilize foreign policy initiatives in support of Islam, such as assistance to Hizbollah in southern Lebanon or opposition to the Middle East peace process, for domestic political purposes.

strategy). To explore the implications of President Khatami's political ascendance for U.S. policy, it is necessary to place this development into historical context. In the case of U.S.-Iranian relations, the past is more than prologue. It continues to shape current and future possibilities.

The roots of American involvement in Iran can be traced to World War II, when the United States used the "Persian corridor" as a major military supply route to the Soviet Union.² In the aftermath of World War II, Soviet reluctance to withdraw from its occupation zone in northern Iran became the precipitant of the first Cold War crisis. Stalin, then providing support to the pro-Moscow Tudeh Party, backed down only in the face of Western pressure supported by the newly created United Nations (UN). A major turning point in U.S. policy toward Iran occurred in August 1953, when the United States and Britain helped to engineer the overthrow of Prime Minister Mohammed Mossadegh, who had nationalized Iran's oil industry, and to restore the Shah to a paramount political position. During the 1950s and 1960s, the Shah closely aligned Iran with the United States and the Western anti-Soviet alliance. In October 1955, Iran was a founding member of the Baghdad Pact (transformed into the Central Treaty Organization when Iraq withdrew after the July 1958 coup that overthrew the monarchy there).

The Kennedy administration, which emphasized economic development as a key instrument to counter the appeal of socialism in the Third World, pushed the Shah to focus on the challenges of modernization. The Shah embarked on his "White Revolution" of economic and social reform, but this program faced opposition from religious leaders and landlords that culminated in riots in June 1963. In putting down this opposition, the Shah was able to further consolidate his domestic power, which in turn gave him the confidence to pursue a more independent foreign policy line.³ The British decision in 1968 to withdraw from military positions "East of Suez" became the occasion for another major shift in American policy toward the Persian Gulf region, in general, and Iran, in particular. The British move came at the height of the Vietnam War, when U.S. public opinion favored a scaling back of America's worldwide security commitments. Instead of supplanting the British role with a direct U.S. military presence, the Nixon administration adopted a policy, consistent with the Nixon Doctrine, to rely on the regional countries themselves to play a more active security role.⁴ Thus the Shah undertook a major buildup of Iranian military capabilities. The ascendance of Iran as the dominant power in the Persian Gulf region was made possible financially by the sharp increase in oil prices in 1973-74.⁵ American arms

transfers became a symbol of the close U.S. relationship with Iran and, in turn, the Shah became even more closely identified with Washington in Iranian domestic politics. This close political identification accounts for the virulent anti-Americanism that accompanied the Iranian Revolution (although that historic event should be viewed as a more general popular reaction against the authoritarianism and Western secularism of the Shah's regime).

The seizure of the American embassy and the taking of American hostages by radical "students" in October 1979 was an outgrowth of the revolution and accelerated the deterioration in U.S. relations with Teheran's new clerical regime. The hostage crisis was shortly followed by the Soviet invasion of Afghanistan in December 1979. The twin Iranian and Afghan crises prompted the enunciation of the Carter Doctrine, which provided an explicit U.S. security guarantee to the Arab Gulf states against potential Soviet aggression and Iranian destabilization. This fear of Iran was accentuated by rhetoric about "exporting the revolution" that was being espoused by radical clerics. To meet a range of potential threats to regional security and the free flow of oil, the Carter administration created the Rapid Deployment Force that was the precursor to the U.S. military's contemporary Central Command. In January 1981, the Iranian government, preoccupied with its war with Iraq and perhaps fearful of American military action under the newly elected Reagan administration, moved to end the hostage crisis. The resulting Algiers agreement, negotiated by President Carter's deputy secretary of state, Warren Christopher, established the U.S.-Iranian Claims Tribunal at the Hague to resolve outstanding financial matters.

U.S. economic sanctions against the Teheran regime were tightened in 1984 when the State Department designated Iran as a state sponsor of terrorism. This decision followed a series of terrorist acts in the Middle East (most notably, the October 1983 bombing of the U.S. military barracks in Beirut) in which Iran was directly or indirectly implicated. President Reagan identified Iran, along with Libya, North Korea, Cuba, and Nicaragua, as "outlaw governments" that constituted "a new international version of Murder Incorporated." This tougher line toward Teheran indicated a so-called tilt toward Iraq, conspicuously omitted from the State Department's terrorist list, in its war with Iran. One manifestation of this political tilt and Iran's pariah status was the jarring American silence occasioned by the Iraqi use of chemical weapons in the war that Saddam Hussein had initiated against Iran. To avert an Iraqi military defeat and further increase pressure on Teheran to accept a cease-fire, the Reagan administration

pushed for an international embargo, "Operation Staunch," to deny U.S. military equipment to Iran. And yet, while maintaining this tough public line, the Reagan administration's own National Security Council (NSC) undertook a covert operation in 1985-86 that subverted that policy and led to the Iran-Contra scandal.

The backdrop to the Iran-Contra affair was the deterioration in Iran's military situation vis-à-vis Iraq by 1985. This change prompted the Teheran regime to accept what not long before would have been unthinkable—contact with the "Great Satan"—in order to obtain the military equipment necessary to continue the war against Iraq. In terms of the American policy debate, the Iran-Contra plan had both strategic and tactical rationales, and their relationship was never clear.⁶ National Security Adviser Robert MacFarlane and NSC aide Oliver North viewed the Iranian need for U.S. military equipment (such as anti-tank munitions) as potential leverage to gain Teheran's assistance in the release of American hostages in Lebanon held by pro-Iranian radicals. The funds secured through these covert sales would then be used to circumvent congressional restrictions on U.S. assistance to the Contra guerrillas seeking to overthrow the pro-Moscow Sandinista regime in Nicaragua. Beyond this immediate arms-for-hostages rationale, arms sales to Iran (advocated by some in the Reagan administration who knew nothing of the MacFarlane-North covert operation) were viewed as a means of reviving bilateral relations with a pivotal regional actor on the Soviet Union's southern border.

In the aftermath of the Iran-Contra affair, American policy turned more confrontational with Iran, as Washington embarked on a policy of coercive diplomacy to win Teheran's acceptance of a cease-fire with Iraq. This foreign policy objective prompted Washington to accede to the 1987 Kuwaiti request for U.S. protection of its oil tanker fleet from the Iranian navy. U.S. military strikes against Iranian naval targets led the *Economist* to observe that "the Americans are now getting uncomfortably close to fighting Iraq's war for it."⁷ In the UN Security Council, the Reagan administration won agreement to a resolution imposing mandatory sanctions on the party (namely, Iran) refusing to accept the cease-fire terms. Citing Iranian intransigence, President Reagan declared a ban on Iranian imports (notably exempting oil). After a U.S. naval vessel accidentally shot down an Iran Air jet in early July 1988, Iran announced its acceptance of the cease-fire. Although the decision (likened by Ayatollah Khomeini to taking poison) followed a string of demoralizing Iranian military defeats, political scientist Shahram Chubin argues that the U.S. Navy's downing of the Iranian airliner "gave Iran's leaders precisely the

moral cover of martyrdom and suffering in the face of an unjust superior force they needed to camouflage the comprehensive defeat of their political goals."⁸ Iranians viewed the indirect American support provided Iraq during the eight-year war—the "tilt"—as evidence of Washington's implacable hostility toward the Teheran regime. American policy during the Iran-Iraq War remains part of Iran's historical grievances toward the United States and continues to affect the Teheran regime's policy toward Washington.⁹

With the end of the Iran-Iraq War, the newly elected Bush administration appeared open to the possibility of improved relations with Teheran. In his January 1989 inaugural address, President Bush, making what aides described as an oblique reference to Iran, declared that "good will begets good will."¹⁰ While Bush sought to moderate the tone of U.S. policy, the signals from Teheran were mixed—again reflecting the political tension between Iran's dual identities. In February 1989, Khomeini issued a religious edict (*fatwa*) that pronounced a death sentence on Salman Rushdie, a British resident, for the publication of his book *The Satanic Verses*. After Khomeini's death in June 1989, the last will and testament of the leader of Iran's revolution contained a final defiant call for "fierce animosity to the West, a militant assertion of Iran's Islamic identity." Two months later, Ali Akbar Hashemi Rafsanjani, viewed as a political pragmatist, became Iran's new president. Coupled with Bush's inaugural overture, Rafsanjani's election offered the possibility of a changed U.S.-Iranian relationship. Nonetheless, as examined in the following section on Iranian domestic politics, President Rafsanjani's scope for diplomatic maneuver on this core foreign policy issue was sharply limited by the schism within the theocratic regime. His own rhetoric was, on occasion, inflammatory—as when he called on Muslims to kill five Westerners for every Palestinian "killed by Israel."¹¹ Notwithstanding this catering to the regime's radical faction, President Rafsanjani also took two specific actions that Iranian officials characterized as a concerted effort to take up President Bush's inaugural address offer. First, he expended capital, both political and financial, to win the release of the last American hostages held in Lebanon by groups under Iran's influence. Second, during the 1990-91 Gulf War, the Rafsanjani government assumed a position of positive neutrality, thereby taking no action to complicate the U.S.-led coalition's campaign to oust Saddam Hussein's forces from Kuwait. Iranian Foreign Ministry officials claimed that both moves were intended to facilitate improved bilateral relations and expressed frustration that the Bush administration had failed to respond.

From the Bush administration's perspective, Iranian words and actions were contradictory. For example, in March 1991, immediately following the Gulf War, President Rafsanjani stated that a normal relationship was possible with the United States if it abandoned its "hostility toward Iran." Two months later, however, the Iranian leader backtracked, telling seminary students at Teheran University that "Iran is not thinking about restoring relations with the United States."¹² In terms of actions, the Teheran regime's strong hostility toward the Middle East peace process, one of Bush's top diplomatic priorities, militated against a changed American policy. Iran's official antipathy toward the Arab-Israeli negotiations was highlighted during the U.S.-sponsored Madrid conference in October 1991, when Teheran was the venue for a counter-meeting of radical states and political groups implacably opposed to the peace process. This stance toward the peace process was not motivated by a core Iranian national security interest; rather, it assumed symbolic importance to the regime's radical elements, who considered the Islamic Republic's external mission a key part of its political identity and legitimacy. U.S. concern focused on two additional areas of behavior linked to the emerging rogue state policy—support for international terrorism and the pursuit of weapons of mass destruction (WMD). In terms of the former, Iran was linked to the bombing of the Israeli embassy in Buenos Aires in March 1992 and the murder of Iranian Kurdish leaders in Berlin in September of the same year. With respect to the latter, Bush administration officials asserted that Iran was actively pursuing the development of WMD capabilities. Central Intelligence Agency (CIA) Director Robert Gates told a congressional committee in March 1992 that Iran could develop nuclear weapons by 2000.

The nuclear issue, however, was part of a broader debate within the Bush administration over Iran's foreign policy intentions in the post-Gulf War era. Official views, particularly within the intelligence community, were divided on this core question. One group, which included Gates, depicted Iran as an increasingly assertive local power that could threaten U.S. regional interests in the near future. Proponents pointed to other developments, such as Iran's conventional arms buildup (then estimated at \$2 billion per year) and its occupation of Abu Musa Island (also claimed by the United Arab Emirates) at the mouth of the Persian Gulf, as supporting evidence for this ominous interpretation of Iranian intentions. They likened Iran in the early 1990s to Iraq in the 1980s—the decade in which Saddam Hussein's drive to acquire nuclear weapons went undetected by the International Atomic Energy Agency. Other in-

telligence analysts and officials questioned this view of Iran's regional intentions, arguing that it was an inaccurate extrapolation from the Gulf War experience with Iraq. This group noted that postrevolutionary Iran was devoting fewer resources to the military than under the Shah's government and only 40 percent of what Iraq had spent prior to its invasion of Kuwait. They further argued that the alarmist interpretation of Iranian interpretations failed to take into account Iran's legitimate security concerns—specifically, the continued rule in Iraq of the dictator who had launched a war against them in September 1980.¹³

The Bush administration's NSC undertook a review of U.S. policy toward Iran in early 1992 that included the consideration of "constructive engagement" through the lifting of selective sanctions. According to *New York Times* diplomatic correspondent Elaine Sciolino, the NSC review, completed in April 1992, concluded that any gesture that "might be politically meaningful in Teheran—lifting the ban on oil sales to America, for example—would have been politically impossible at home. On the other hand, a reward small enough to be painless in American political terms, such as lifting the ban on exports of carpets and pistachios, would have seemed too petty to Teheran." Sciolino reported that "even those analysts [in the Bush administration] who defend the use of incentives to moderate behavior are bewildered about how to treat Iran" because of the difficulty in assessing Teheran's contradictory behavior, which itself reflects the competing pulls of Iranian domestic politics. "What confuses the picture is that there is no answer to a fundamental question about Mr. Rafsanjani's moves to curb radical elements in his regime and expand ties with Western industrialized countries. Do his actions represent a strategic shift in the course of Iran's . . . revolution, or are they only a tactical maneuver that could be reversed once Iran succeeds in reconstructing its economy? Mr. Rafsanjani himself may not know the answer to the question. . . ."¹⁴ Within this confused political context, even a conciliatory gesture by Teheran was discounted in Washington. When it was reported, for example, that President Rafsanjani had interceded to win the release of U.S. hostages in Lebanon, some American hard-liners argued that this merely proved Iran's complicity in their incarceration all along. The net effect was to maintain the default position against improved relations with Iran.

As discussed in Chapter 1, American foreign policy in the 1990s has been powerfully influenced by the twin events that began the decade—the end of the Cold War and the hot war to expel Saddam Hussein from Kuwait. With the demise of the Soviet threat and the Iraqi experience

fresh in mind, U.S. officials viewed Iran as the type of security challenge that the United States would face in the post-Cold War era. At the time of the Iraqi invasion, President Bush had spoken of the need to prepare for the "Iraqs of the future." The CIA's 1992 National Intelligence Estimate on Iran's nuclear program was consistent with this archetype of what would later be characterized as a rogue state—a Third World regime armed with WMD and threatening a region of vital interest to the United States. This predisposition in the wake of the Gulf War affected American perceptions of Iran. The failure of the Bush administration's engagement strategy toward Iraq prior to 1990 reinforced the political rationale against pursuing a "constructive engagement" strategy toward Iran or offering any inducements to the Teheran regime for reformed behavior. It also led to a renewed focus on measures to strengthen the nonproliferation regime after the Gulf War. In October 1992, President Bush signed into law the Iran-Iraq Arms Nonproliferation Act prohibiting the transfer of any goods or technologies that might contribute to the development of destabilizing conventional weapons by either country. The act, subsequently extended by congressional amendments to encompass WMD capabilities, would impose sanctions on any government or commercial entity (foreign or domestic) that violates this U.S. statute.

The linking of U.S. policy toward Iran and Iraq under this nonproliferation legislation presaged the broader policy linkage under the Clinton administration's "dual containment" strategy in spring 1993. The Iran-Iraq Arms Nonproliferation Act was a unilateral measure with extraterritorial implications (since it threatened to sanction foreign firms found in violation). Its passage was complemented by the Bush administration's diplomatic push to win multilateral support for measures to forestall the development of Iranian WMD capabilities. This effort coincided with the imminent demise of the Coordinating Committee for Multilateral Export Controls (COCOM; see Chapter 1), which had served as the multilateral clearinghouse during the Cold War for Western export controls targeted at the Soviet bloc. In November 1992, the United States called on its G-7 partners to "harmonize export controls" to halt the sale of all militarily useful equipment to Iran—as well as Libya, Iraq, and North Korea.¹⁵ Thus, beyond the agreed G-7 ban on arms transfers, the Bush administration was seeking to tightly regulate sales of dual-use technologies—commercially available equipment that might have military applications. In a dispute that would carry over into the Clinton administration, the European and Japanese governments balked at this limitation of trade with Iran.

This G-7 opposition to multilateral controls on dual-use transfers to Iran derived from two sources. The first was immediate and articulated. As detailed in Chapter 3, the other G-7 members, particularly the Europeans, favored a policy of engagement over comprehensive containment and isolation. They argued that an alternative approach, later adopted by the European Union (EU) under the rubric "critical dialogue," would use trade as a tangible incentive for improved Iranian behavior (*vis-à-vis* terrorism, etc.). This policy also reflected the Europeans' favorable assessment of the possibilities for change under President Rafsanjani. The second source of G-7 resistance to American pressure to curtail links with Iran was historical and largely unspoken. Throughout the Cold War era, the Europeans and Japanese had routinely acquiesced to U.S. demands to forego sales of dual-use technologies to East bloc states. American pressure tactics during these COCOM deliberations left a political residue that made the Europeans more assertively independent in the absence of the Soviet threat. The G-7 allies also pointed to the hypocrisy of U.S. government efforts to limit foreign economic contacts with Iran given the loophole in U.S. sanctions legislation that permitted American oil companies to purchase a quarter of total Iranian oil production for sale in non-American markets. U.S. manufacturers also opposed the Bush administration's unilateral export control policy to restrict the flow of dual-use goods and technologies to Iran, arguing that Teheran would simply turn to eager foreign suppliers. A prominent case in point was the Boeing Company's proposed billion-dollar deal in September 1992 with Iran Air for the sale of sixteen Boeing 737s.¹⁶

The Clinton administration initiated its own policy review *vis-à-vis* Iran on assuming office in January 1993. In the ensuing months, the elements of a tougher policy emerged that reversed the Bush administration's "good will begets good will" line. An early sign of this new approach was Secretary of State Christopher's March 1993 characterization of Iran as "an international outlaw" for its support of international terrorism and its drive to acquire WMD. The Clinton administration did not formally eschew the possibility of dialogue with the Teheran regime, but did make clear that its objectionable behavior made normal relations impossible. Christopher's harsh rhetoric was a departure from the Bush administration policy, and some observers speculated that his hard-line attitude was shaped by his difficult experience negotiating the release of the U.S. embassy hostages in 1980–81. The Clinton administration's political demonization of Iran was intended to isolate it diplomatically and mobilize diplomatic support for what Christopher called a "collective

policy of containment." In May 1993, NSC official Martin Indyk enunciated the administration's "dual containment" strategy.¹⁷ The linking of U.S. policy toward Iran and Iraq was a major step in the development of the Clinton administration's rogue state policy, with its central assertion that these countries, as well as Libya and North Korea, constitute a distinct class of states in the post-Cold War international system.

In the 1993 policy review, national security concerns overrode significant economic interests. This was not a foregone conclusion, as President Clinton had campaigned as a pro-business "new Democrat" and his economic team viewed export expansion as a major contributor to U.S. economic growth. Prominent among the seven key growth areas identified by the administration was commercial aviation. Commenting on the aggressive marketing efforts by European governments to push for an increased global market share for Airbus Industrie over Boeing and McDonnell Douglas, President Clinton asserted, "I'm not going to roll over and play dead."¹⁸ In the interagency deliberations on Iran policy, the Commerce Department advocated the lifting of export controls on civil aircraft (as well as highway trucks and other nonmilitary goods), while the State and Defense Departments opposed such a change in policy. Proponents of the hard-line position argued that it would be diplomatically easier to convince other countries to participate in multilateral containment if the United States demonstrated a willingness to sacrifice its own economic interests. At the end of the policy review in August 1993, President Clinton decided to continue the policy of comprehensive containment, including the retention of export controls on dual-use goods and technologies. He took this decision despite the opposition of the U.S. business community to unilateral sanctions and export controls, and despite lobbying by Boeing, Mack Trucks, and other affected companies. This disappointing outcome for industry stood in contrast to President Clinton's active personal involvement to win the extension of most-favored-nation trade status for China over strong congressional opposition. These cases, however, differed in two important respects: first, Chinese behavior with respect to human rights and nonproliferation, while objectionable (even rogue in the view of some), did not approach that of Iran in degree; and second, the economic interests at stake with China vis-à-vis Iran were exponentially larger.

The 1993 policy review was influenced by Iranian actions with respect to terrorism and the acquisition of WMD capabilities—and the domestic political backlash against Iran that they generated in the United States. An additional major source of friction was the Teheran regime's hostility to the Middle East peace process—specifically, the September 1993 Oslo

Accord between the Palestinians and the Israelis, negotiations in which the United States had invested much political capital.¹⁹ This Iranian behavior raised questions about President Rafsanjani's intentions and power position within the ruling regime. Some Western diplomats in Teheran suggested that the failure of the United States to make any gesture toward Iran after the release of the American hostages in Lebanon had undermined the group associated with Rafsanjani who favored the development of relations with the West. This, in turn, had led to the adoption of more radical policies. A senior Clinton administration official rejected this interpretation and asserted, "We have never bought the distinction of others that somehow there are good guys and bad guys in the region and that we should be backing the good guys—the so-called pragmatic reformer Rafsanjani."²⁰ This continuing controversy again pointed to the complex interrelationship between Iran's domestic and foreign policies, a theme that will be addressed more fully in the next section.

The Clinton administration was unsuccessful in its efforts to win multilateral backing for its tougher line toward Iran. In March 1993, for example, the administration suffered a significant diplomatic setback when the World Bank overrode U.S. objections and approved a major loan to Iran for infrastructure development.²¹ Even more damaging was the open breach that emerged between the United States and its allies over economic relations with Iran. As detailed in Chapter 3, the United States strongly opposed the EU's policy of "critical dialogue" that sought to foster more moderate Iranian behavior through the development of a web of relations. The Clinton administration argued that such an approach, rather than giving Iran a tangible stake in stability, would simply reward behavior that violated international norms and prop up the clerical regime.²² Christopher stated, "Iran is an international outlaw, yet some nations still conduct preferential commercial relations with Iran and some take steps to appease that outlaw nation. They must understand that by doing so, they make it easier for Iran to use its resources to sponsor terrorism throughout the world."²³ And yet, the credibility of U.S. efforts to convince allies to curtail economic relations with Iran was undermined by the fact that the United States remained Iran's largest trading partner. German chancellor Helmut Kohl pointedly observed during a joint press conference with President Clinton in February 1995 that it was "American oil companies, not German oil companies" that "export [Iranian oil] into other countries."²⁴

In March 1995, the Clinton administration moved to close this loophole in U.S. sanctions with the news that the American oil conglomerate

Conoco was on the verge of concluding a major deal with the National Iranian Oil Company to develop offshore oil. President Clinton issued an executive order prohibiting U.S. companies and their subsidiaries from investing in the Iranian energy sector, thus heading off the Conoco deal. In May 1995, this limited ban was followed by a broader executive order cutting off all U.S. trade and investment with Iran, including purchases of Iranian oil by American companies.²⁵ With these executive orders, U.S. sanctions on Iran and Iraq—"those two rogue states" in Christopher's words—were brought into line. A major difference, of course, was that the United States was pursuing comprehensive economic sanctions unilaterally in the case of Iran (whereas Iraq remained under multilateral sanctions authorized by the Security Council). Had the Clinton administration not acted in May 1995, it is likely that Congress would have passed legislation introduced by Senator Alfonse D'Amato (R-N.Y.) in January to impose a complete trade ban. The administration's decision, however, was not well received in the U.S. business community, which continued to oppose unilateral sanctions on the grounds that it unfairly disadvantaged American firms relative to their foreign competitors. Indeed, in July 1995, the Teheran government gave the French oil company Total the contract originally negotiated with Conoco to develop the Iranian oil fields off Sirri Island.

Some observers questioned why the Clinton administration was using "economic diplomacy" to deal with some authoritarian regimes, such as China and even North Korea, while eschewing it in the cases of Iran and Cuba. This attitude appeared at odds with the administration's overarching strategy of "engagement and enlargement," through which these authoritarian regimes were offered a post-Cold War social contract—access to the benefits of the global economy (i.e., capital and technology) in return for conformation with international norms. In explaining why Iran remained the target of comprehensive economic containment, a senior administration official stated, "We draw the line in countries with policies that are beyond the pale."²⁶ In his April 30, 1995, speech announcing the total trade ban on Iran, President Clinton argued, "Many people have argued passionately that the best route to changing Iranian behavior is by engaging the country. Unfortunately, there is no evidence to support that argument. Indeed, the evidence of the last two years suggests exactly the reverse." The important domestic political dimension of the administration's decision was highlighted by the *New York Times*, which reported that "Mr. Clinton's move was . . . heavy with political symbolism and appeal because he made the announcement at a dinner of the World Jewish Congress. . . ."²⁷

U.S. allies rebuffed the Clinton administration's diplomatic campaign to transform the unilateral American sanctions on Iran into a comprehensive multilateral regime.²⁸ France and others did not even want the matter raised in G-7 meetings. During 1995-96, when Washington was seeking European support on other important foreign policy issues such as Bosnia, the administration had to gauge how hard it could push the allies on this particular issue. That task was complicated by pending congressional initiatives, such as the extraterritorial Iran Libya Sanctions Act (ILSA), that threatened to further escalate the transatlantic dispute over Iran policy. Unable to win multilateral support for broad economic containment, the administration focused its efforts on limiting Iranian access to foreign technologies that could contribute to its WMD capabilities. But even this sphere was contentious for the allies and other Western industrial states because of the administration's expansive definition of "dual use"—one that encompassed a wide range of high-technology goods. This issue was the major source of contention in the multilateral negotiations over the creation of a post-Cold War successor organization to COCOM to deal with export control policy.

The Clinton administration did win a pledge from the Europeans not to transfer nuclear technology to Iran. With no other supplier available, Iran turned to China and Russia, the latter of which was especially eager to secure business for its large nuclear establishment. In January 1995 the Iranian government announced a \$940 million agreement with the Russian Ministry of Atomic Energy (Minatom) to complete the construction of two light-water nuclear reactors (LWRs) begun by the German firm Siemens during the Shah's rule. The announcement again raised questions about Iran's nuclear intentions given the country's vast fossil fuel reserves that obviated the domestic need for nuclear energy.²⁹ This concern was heightened by press reports that the agreement with Minatom included a secret protocol to provide a uranium-enrichment facility capable of producing weapons-grade material. Christopher declared that Iran was "engaged in a crash effort to develop nuclear weapons" and the Clinton administration embarked on an intense diplomatic lobbying campaign in Moscow to halt, or at least limit, Russian nuclear cooperation with Iran.³⁰ The American case was weakened by the fact that Iran was a signatory to the nuclear Nonproliferation Treaty (NPT), a core provision of which provides access to nuclear energy technology to those states that forego the weapons option.³¹ Moreover, the Russians asked why Washington was transferring two LWRs to North Korea under the terms of the October 1994 Agreed Framework, while objecting to an analogous Russian sale to Iran. The *New York Times*, highlighting this

precedent, editorially argued, "However distasteful the regime in Teheran may be, if the principal U.S. goal is a non-nuclear Iran, Washington would be better off trying to strike a bargain like the one it made with North Korea."³² The Clinton administration forcefully argued that the cases were completely different. North Korea, with two active nuclear reactors and a uranium reprocessing plant, was on the verge of acquiring weapons; the Agreed Framework (as detailed in Chapter 6) offered two proliferation-resistant LWRs in return for the shutdown of those facilities. Iran, by contrast, did not have a developed nuclear infrastructure and the goal was to prevent them from acquiring one.³³ The administration further asserted that this policy did not violate the NPT's provisions regarding access of signatory states to nuclear energy technology because Iran was indeed intent on acquiring nuclear weapons.

Congress further pressured Moscow by threatening to cut off U.S. assistance to Russia if the nuclear deal with Iran went forward.³⁴ Under these circumstances, President Boris Yeltsin halted the transfer of reprocessing equipment in May 1995, but refused to cancel the sale of the two nuclear reactors. To further assuage American concerns, his government later agreed to return to Russia all spent fuel from the reactors in order to prevent any possible diversion of this fissile material into a weapons program. With respect to the other potential supplier of nuclear technology to Iran—China—the Clinton administration won Beijing's agreement to forego the sale of two nuclear reactors and a uranium-conversion plant.³⁵ Despite this success in limiting nuclear exports to Iran, the Teheran regime's intentions and compliance with its NPT commitment remain uncertain.³⁶ Some Middle East security specialists have observed that long-term efforts to deal with Iran's nuclear challenge must take into account the real threats to Iranian security (e.g., Saddam Hussein and the legacy of the Iran-Iraq War) that motivate the regime's drive to acquire nuclear and other WMD capabilities. The salient point in the context of this comparative case study is the difference between the Clinton administration's contrasting responses to the North Korean and Iranian nuclear challenges. In the North Korean case, the imminent threat of its mature nuclear program, and the absence of acceptable alternatives, created a political incentive in Washington for limited engagement through the Agreed Framework. As argued in Chapter 6, the Clinton administration's approach was limited engagement by necessity. By contrast, the Iranian nuclear program was at an incipient stage that posed no immediate military threat, and therefore the administration could pursue an alternative strategy of technology denial in lieu of limited engagement.

The administration's Iran policy also differed significantly from that toward Iraq, despite the linkage created through the "dual containment" strategy. The main theme of Chapter 4 was the policy confusion stemming from the twin objectives—ousting Saddam Hussein and behavior modification—that the Clinton administration has pursued simultaneously. In the case of Iran, this tension between political objectives has been evident but far less pronounced. From Reagan to Clinton, official U.S. policy toward Iran has been consistent: the stated aim has been to change rogue activities (with respect to terrorism and acquisition of WMD capabilities), not to change the theocratic regime. For example, in his important 1994 *Foreign Affairs* article, "National Security Adviser Anthony Lake stated, 'More normal relations with the government in Teheran are conceivable, once it demonstrates its willingness to abide by international norms and abandons policies and actions inimical to regional peace and security.'³⁷ Similarly, in November 1995 testimony before the House International Relations Committee, Undersecretary of State for Political Affairs Peter Tarnoff declared, "With respect to the government of Iran, we are not seeking to overthrow that government, but we are seeking to demonstrate as forcefully as possible that several key aspects of Iranian behavior are threats to peace in the region, and hostile to U.S. interests, and we are demanding and mobilizing support for change in the behavior of that government."³⁸

While the Clinton administration focused on Iranian behavior, some in Congress argued that the problem was the regime itself. In February 1995, Gingrich called for an \$18 million allocation in the U.S. intelligence community budget to support a strategy that "ultimately is designed to force the replacement of the current regime in Iran, which is the only long-range solution that makes any sense."³⁹ The Clinton administration eventually accepted congressional funding authority for covert operations against Iran, but said that such activities would be focused on changing the regime's behavior rather than its overthrow.⁴⁰ Thus, despite congressional pressure, the Clinton administration was not prepared to adopt a rollback strategy toward Iran. This political calculation reflected an amalgam of factors: the magnitude of the Iranian threat (as compared to Iraq, which had invaded two neighboring states in the course of a decade); the lack of international support for comprehensive containment, let alone a rollback strategy to change the clerical regime; the absence of a viable political opposition;⁴¹ and the acknowledgement that the Teheran government (however objectionable its rogue behavior) enjoyed widespread domestic legitimacy.

From 1996 through mid-1997, the move toward a still harder-line American policy toward Iran continued to build momentum. This trend was fueled by a marked increase in Middle East terrorism that was abetted by the Teheran regime, according to U.S. officials. An Islamic militant convicted of terrorist bombings in Israel in February–March 1996, during the Israeli parliamentary campaign, said that he had been trained in Iran and Sudan. These bombings, which were hailed in Teheran, led to the convening of an international summit on terrorism in Egypt in March 1996—a meeting at which the United States sought to mobilize diplomatic support for its strategy to contain and isolate Iran.⁴² In June 1996, the Palestinian Authority claimed that Iran was behind a plot to assassinate Yassir Arafat, its president.⁴³ That same month, nineteen American military personnel were killed in the bombing of the Khobar Towers in Dhahran, Saudi Arabia, and an Iranian-backed group of Shiite Muslims was suspected of the attack. These terrorist incidents, as well as Iran's continued support for Hizbollah attacks on Israel from southern Lebanon, provided a political backdrop to congressional approval of the ILSA, signed into law by President Clinton in August 1996. The serious transatlantic dispute precipitated by the ILSA's extraterritorial application of U.S. sanctions law on foreign firms engaged in commerce with Iran was examined in Chapter 3.

As official U.S. policy toward Iran further hardened with the enactment of the ILSA, some prominent commentators and policy experts outside government questioned the efficacy of the American approach. They noted that Iran had not emerged as the expansionist regional threat that some had feared in the wake of the Gulf War and that the Clinton administration had been unable to produce enough hard evidence of Iranian sponsorship of terrorism to win international support for sanctions. Moreover, unilateral U.S. economic sanctions were unlikely to generate sufficient domestic pressures to force Iran's acceptance of the Bush and Clinton administrations' proposal for an "authorized" dialogue. Some country specialists argued that the sanctions policy bolstered the position of hard-liners within the Teheran regime who used the image of America as an implacable enemy to justify the country's isolation and strict Islamic controls. To break the domestic political impasse on both sides, *New York Times* foreign affairs columnist Thomas Friedman suggested an alternative U.S. approach:

[The administration should] indicate to Iran that if it takes specific steps toward meeting [American] concerns [e.g., regarding terrorism and the acquisition of WMD capabilities], the U.S. will take specific steps toward lifting the economic

and diplomatic isolation of Iran. Such an approach would help create more of a united front among the Western allies and, more important, would isolate Iran for spurring basic norms of international behavior rather than isolate the U.S. . . . [Iranian officials in favor of dialogue with the United States] will not risk pushing for a change in their policy if there is no assurance that the U.S. will respond. Let's keep Iran under sanctions, but let's also spell out what we'll do in response to changes in Iran's behavior. That might strengthen the pragmatists [in Teheran], exacerbate divisions within Iran's ruling system, and just maybe, over time, help tip the balance to those favoring a more normal relationship with the United States.⁴⁴

In addition to this utilitarian argument, support for a changed U.S. policy came from those focused on traditional balance-of-power considerations and who questioned the continued appropriateness of "dual containment" as an overarching U.S. strategy in the Persian Gulf region. Former national security adviser Zbigniew Brzezinski argued that Iran should again be viewed as a counterweight to Iraq. The U.S. policy of isolating Iran made "it more difficult to isolate Iraq" and gain access to vast oil deposits in the Caspian Sea region and Central Asia.⁴⁵ An influential Council on Foreign Relations task force, co-chaired by Brzezinski and former Bush national security adviser Brent Scowcroft, argued that dual containment had become "more a slogan than a strategy" and advocated "a more nuanced and differentiated approach." Such a strategy, characterized as "differentiated containment," would promote targeted policies geared to the particular circumstances in each country. The report endorsed "the possibilities of creative trade-offs, such as the relaxation of opposition to the Iranian nuclear program in exchange for rigid and comprehensive inspection and control procedures."⁴⁶ Opponents of reconciliation maintained that there was no evidence that a shift in U.S. strategy from comprehensive containment would lead to a change in Iranian external behavior.⁴⁷

Despite these calls for dialogue with Iran, the Clinton administration remained committed to its comprehensive containment. In April 1997, when a German court implicated the Teheran government in the 1992 assassination of Iranian dissidents, the administration renewed its appeal to the EU to end its policy of "critical dialogue" and participate in multilateral sanctions (see Chapter 3). In late May, however, the political environment was transformed by the unexpected landslide victory of Khatami, the moderate former minister of culture, over a virulently anti-American cleric in the Iranian presidential election. Calling the election "a very interesting development," President Clinton expressed the "hope that the estrangements [between the two countries] can be bridged."⁴⁸ With

Khatami's election, calls for the opening of a dialogue with Iran received new impetus and halted the momentum (manifested in the enactment of the ILSA) for a still stiffer American policy of containment and isolation. That development was based on the reading by many in the policy community of the domestic possibilities created by Khatami's election.

Because of the Iran-Contra legacy and the political dynamic of its own rogue state approach, the Clinton administration had refused to publicly draw any distinctions between contending "moderates" (also called "pragmatists" and "technocrats") and "radicals" inside the Teheran regime. The May 1997 presidential election had exposed the sharp cleavage in Iranian domestic politics. This split, again to highlight the major theme of this chapter, reflected the political tension between Iran's twin identities as a revolutionary and an ordinary state. This duality is symbolized by the two leadership positions created by the Islamic Republic's constitution—the "supreme leader," who is the country's head of state and highest religious authority (Ayatollah Seyyed Ali Khamenei, who succeeded Khomeini), and the president, who heads the government. As will be discussed in the following section, this bifurcation of authority is at the heart of the country's ongoing domestic political struggle, in which the issue of relations with the United States has been central.

While Ayatollah Khamenei and others continued their anti-Western pronouncements, President Khatami espoused a conciliatory approach. In mid-December 1997, at his first news conference since assuming the presidency, Khatami expressed his "great respect" for the American people and his desire "to have a dialogue of civilizations." Citing the participation of fifty-four countries in a recent meeting of the Islamic Conference in Teheran, he said that the U.S. strategy to isolate Iran had failed.⁴⁹ President Clinton said he "would like nothing better than to have a dialogue with Iran" but reaffirmed the administration's concerns regarding terrorism, etc., and its continuing commitment to the "dual containment" of Iran and Iraq.⁵⁰ On January 7, 1998, in an interview with CNN that received worldwide attention, the Iranian president repeated his call for a cultural dialogue between the two countries (through such measures as academic exchanges), which he carefully distinguished from "political relations" (see the Appendix for the text of this interview). Although the administration undertook no general review of U.S. policy toward Iran after the Khatami election, a contentious interagency debate developed over the implementation of the ILSA. The specific issue in question was whether the Clinton administration would apply or waive ILSA sanctions after a consortium of foreign firms (led by the

French energy giant Total) concluded a major agreement to develop Iranian natural gas fields. Following the May 1998 G-8 meeting, the administration, while maintaining its opposition to foreign participation in Iranian energy development, issued the sanctions waiver to avoid an open breach with the Europeans and the Russians.

In the wake of the ILSA sanctions decision, on June 17, 1998, Secretary Albright delivered a major policy address at the Asia Society in New York that was the administration's first comprehensive response to President Khatami's conciliatory statements. She welcomed the change in Iranian declaratory policy, citing President Khatami's denunciation of terrorism, and said that if his words "are translated into a rejection of terrorism as a tool of Iranian statecraft, it would do much to dispel the concerns of the international community. . . ." Albright said that U.S. economic policies (e.g., opposition to proposals for export pipelines through Iran for Caspian oil and gas) would "remain unchanged" as long as Iranian behavior of concern persisted. But, to dispel Iranian concerns about Washington's intentions, she stated, "[U.S.] policies are not, as some Iranians allege, anti-Islamic. . . . U.S. policy is directed at actions, not peoples or faiths. The standards we would like Iran to observe are not merely Western, but universal. We fully respect Iran's sovereignty. . . . We do not seek to overthrow its government. But we do ask that Iran live up to its commitments to the international community." After endorsing Khatami's call for cultural and academic exchanges and increased people-to-people contact, Albright stated, "We are ready to explore further ways to build mutual confidence and avoid misunderstandings. The Islamic Republic should consider parallel steps. If such a process can be initiated and sustained in a way that addresses the concerns of both sides, then we in the United States can see the prospect of a very different relationship. As the wall of mistrust comes down, we can develop with the Islamic Republic, when it is ready, a road map leading to normal relations." In an implicit reference to criticism of the Clinton administration's generic approach toward those countries designated as rogue states, she concluded, "America cannot view every issue or nation through a single prism. We must take into account the full range of our interests. We must combine adherence to principle with a pragmatic sense of what works. . . . We must know when to engage and when to isolate, and we must always be flexible enough to respond to change and to seize historic opportunities when they arise."⁵¹

Albright reportedly negotiated the reformulation of U.S. policy toward Iran contained in her June 1998 speech without a major interagency

battle. Given the highly contentious nature of the issue, President Clinton later congratulated her "for threading the needle."⁵² The "road map" metaphor was apt. Although Washington could identify the destination—Iran's reintegration into the international community—the particular route remained unclear. Albright's pathbreaking speech embraced the differentiated policy that the critics of dual containment had advocated—a process of "parallel steps" that "addresses the concerns of both sides." (Such an approach is referred to in the political science literature as "conditional reciprocity.") The speech, with its assertion that "America cannot view every issue or nation through a single prism," also attempted to break with the administration's generic rogue state policy. And yet, the very success of that policy in mobilizing political support for a hard-line policy through demonization hindered the ability of the Clinton administration to navigate such a shift in response to changed circumstances in Iran. Formidable opposition in the Republican-led Congress and beyond hindered any change from the rogue state policy's default strategy of comprehensive containment and isolation. This continuing cleavage in American domestic politics over relations with Iran has been mirrored on the Iranian side. Attention will now turn to that pivotal question—the domestic political struggle in Teheran and its linkage to Iran's foreign policy.

THE IRANIAN DOMESTIC CONTEXT

A major theme of this chapter has been the contending visions of Iran as an ordinary versus a revolutionary state. That tension is at the heart of Iran's ongoing domestic political struggle. An inadequate understanding of the dynamics of change within Iran has hampered the ability of Washington and other foreign capitals to assess and respond to events since the 1979 revolution. The prior set of assumptions guiding Western policy was overturned with the revolution—thus creating an intellectual vacuum that still exists. Although revolutions are by their nature sui generis, they pass through broadly similar phases. Beginning more as a cause than a concrete program of action, successful revolutions are soon subject to the practical requirements of government. Revolutions radically alter perspectives within the society, but they cannot change the objective realities of the state. Those realities—geographic position, demography, natural resources, and the regional environment—define the possibilities of state action. Schisms within revolutionary leaderships often emerge over the degree of tactical accommodation that the regime

must prudently make to realize its long-term revolutionary objectives. The continuing power struggle between radicals and pragmatists within the Teheran regime corresponds to this historical model. In the case of post-revolutionary Iran, one observer has characterized this as "the ideological conflict between the philosophy of the revolution . . . and the interests of the Iranian state."⁵³ The regime's radical faction is concerned that cumulative tactical shifts for the sake of pragmatism (such as ceasing efforts to "export" its revolution to neighboring states) will erode the legitimacy of the revolutionary vision. This concern about preserving the revolution's political legitimacy has resulted in a complex linkage between the clerical regime's domestic and foreign policies.

Political conflict is further fueled by the Islamic Republic's unique fusion of religion and politics. Eliminating the separation between mosque and state was the realization of Ayatollah Khomeini's revolutionary vision. Under Iran's 1979 Constitution, Khomeini was named "supreme leader" (*vali-ye faqih*), an unprecedented position with paramount religious and political authority. Khomeini invoked the Shiite legal concept of *velayat-i-faqih* ("rule of the supreme jurist-consult") as the ideological underpinning for this new constitutional structure. The Assembly of Experts, a popularly elected body established in 1982 and dominated by the clergy, chooses the supreme leader from among the country's leading clerics. The supreme leader has ultimate authority over all state institutions, including the military, internal security services, judiciary, and broadcasting services, and also controls powerful "foundations" that are actually huge government-run companies with billions of dollars in assets confiscated after the 1979 revolution. In addition, the position exerts strong influence over the Council of Guardians, a body of twelve senior Islamic jurists and experts in Islamic law with power to void any legislation that it deems contrary to Islam or the 1979 Constitution. In striking contrast to the supreme leader, the powers of the president are quite circumscribed. The president is the chief executive with the power to appoint government ministers, subject to parliamentary (Majlis) approval, and run the government bureaucracy (particularly those parts dealing with social services and management of the economy). But, as Middle East historian Shaul Bakhash observes, the president's powers are often more notional than real since "the Supreme Leader is constitutionally empowered to set the broad policies of the Islamic Republic, and in practice he has acquired additional means of interfering in the running of the government."⁵⁴ In assessing the practical possibilities for President Khatami to alter Iranian foreign policy vis-à-vis the United States, this in-

stitutional context—and the relative distribution of political power that it reflects—is highly pertinent.

Khomeini's own personal stature was a pivotal factor in the unfolding of the revolution, and that charismatic leadership was institutionalized through the 1979 Constitution in the position of supreme leader. Mehdi Bazargan, a leading nonclerical Iranian political figure and the first prime minister of the Islamic Republic, observed that this constitutional arrangement was "a garment fit only for Mr. Khomeini."⁵⁵ After Khomeini's death in June 1989, a peaceful transfer of power occurred: Khamenei, a cleric known more for his political activism than his religious scholarship, was elevated to supreme leader, and Rafsanjani, another "religious politician" (to use Iran expert David Menashri's term), was elected president. But with this transition, the challenge of the post-Khomeini era emerged: making a system institutionally centered on a supreme leader work in the absence of a charismatic political figure. Khomeini's unique standing had been such that his decisions never faced serious political challenge; certainly no one within the ruling regime questioned his authority (even if some of his fellow clerics were uncomfortable with his expansive interpretation of the *velayat-i-faqih* concept). That has not been the case for his successors—thus evidencing the dilemma identified by sociologist Max Weber of institutionalizing charismatic leadership. The post-Khomeini political struggle has revolved around the role of the supreme leader. The relative powers of the supreme leader and the president are connected vessels. To the extent that the supreme leader's authority is limited, the president has the potential to assert increased power over the instruments of government. This political competition was waged during Rafsanjani's eight-year tenure as president and has continued into the Khatami era.

Supreme Leader Khamenei and President Rafsanjani established an uneasy "diumvirate"—a mixed relationship that oscillated over time between competition and cooperation depending on the issue. Rafsanjani was identified with Iran's professional class, the so-called technocrats who sought to limit religious interference in economic and governmental affairs. As president, he initiated economic reforms to address the country's severe problems (declining oil revenues leading to budget deficits, decreased foreign investment, and an over-reliance on the oil economy). All of these were exacerbated by a rapidly rising population and by the eight-year war with Iraq that had sapped resources and destroyed infrastructure. The Rafsanjani economic reforms (such as increased privatization), as well as a limited liberalization in social and cultural affairs, generated a backlash from his political opponents and riots in major

cities in spring 1992. As Menashri observes, "Rafsanjani's reforms . . . caused hardships for the poor and deviated from basic ideological convictions, which infuriated the radicals."⁵⁶ One political casualty of this political struggle was the future president, Khatami, who was forced to resign from his position as minister of culture for being too liberal. In a telling indicator of this radical backlash, Khatami's successor as minister for culture won a Majlis decision in September 1994 to ban satellite dishes throughout the country, arguing that foreign television programs amounted to "cultural occupation."⁵⁷ Opposition to the Rafsanjani reforms permitted Khamenei, who sided with the hard-liners, to increasingly dominate their political relationship.⁵⁸ And yet, it was within this increasingly radical political context that Rafsanjani made a striking decision in early 1995 to permit the U.S. oil conglomerate Conoco to develop one of Iran's major offshore oil fields.

The contending interpretations of Rafsanjani's initiative in the American policy community stemmed from differing assessments of Iranian intentions. The contradictory status of Rafsanjani himself, a member of the religious hierarchy not averse to playing the anti-Western card, contributed to this division of opinion. For example, in a rare press conference in January 1993, Rafsanjani vowed to fight "imperialism" anywhere, while stating that the resumption of relations with the United States "would not be in contradiction with Iran's objectives" if American policies were "truly corrected."⁵⁹ One interpretation of the Conoco overture was that it was a further effort by the Iranian president to reach out to the United States after his earlier involvement to win the release of American hostages in Lebanon. In this view, Rafsanjani was taking on powerful domestic political forces to begin a process of normalization. An alternative interpretation was that Rafsanjani was seeking a compartmentalized relationship—that is, gaining access to American capital and technology to assist the Iranian economy, while avoiding behavioral changes in areas of U.S. concern, such as terrorism.⁶⁰

The Clinton administration, for reasons discussed above, not only mixed the Conoco deal, but also imposed comprehensive U.S. sanctions on Iran in May 1995. Rafsanjani denounced the administration's "extortionate policies" and claimed that they would have little impact on the country.⁶¹ He was reportedly surprised by the administration's rejection of the Conoco deal, believing that the oil conglomerate's political clout would be sufficient to win approval. He asserted that Washington had missed an opportunity to improve relations with Tehran: "We invited an American firm and entered into a deal for \$1 billion. This was

a message to the United States, which was not correctly understood. We had a lot of difficulty in this country by inviting an American country to come here with such a project because of public opinion."⁶² Said Rajai Khorassani, a member of the president's inner circle and head of the Majlis's foreign relations committee, lamented, "We don't have any counterparts in the Clinton administration and this has made it hard to promote a more lenient Iranian policy."⁶³ For his part, Khamenei welcomed the Clinton administration's announcement of a total trade embargo, arguing that it would encourage the country's self-sufficiency.⁶⁴ Assessing Rafsanjani's foreign policy initiatives within the context of Iran's ongoing domestic political struggle, Bakhash observed, "The reading of Rafsanjani as a pragmatist who wanted to re-engage Iran with the rest of the world was not wrong. But the circumstances have changed. Iranian behavior has become more inconsistent, incoherent, more radical, its foreign policy more sensitive to what the regime believes is necessary to be an international leader. To an extent, it's a reversion to the early years of the revolution."⁶⁵ Whatever one's reading of his underlying motivations, the Conoco episode marked Rafsanjani's final effort during his tenure as president to initiate an opening to Washington.

The issue of relations with Washington again emerged on the Iranian political agenda after the 1997 election that swept Khatami to power. His victory over Majlis Speaker Ali Akbar Nateq-Nuri, who had been endorsed by the regime's most conservative clerics, was a landmark political event reflecting a widespread popular desire for change. Postelection polling indicated that the electorate was primarily concerned with the economy and quality-of-life issues; only 15 percent, according to one poll printed in a pro-Khatami newspaper, felt that it was important for Iran's leaders to confront the West's "cultural onslaught" and resist accommodation with the United States.⁶⁶ The popular will expressed through the ballot box bestowed Khatami with the political legitimacy to act decisively.

After the election some referred to the new president as "Ayatollah Gorbachev." The analogy to the former Soviet leader was both misleading and apt. It failed to accurately portray Iran's domestic political struggle because of the fundamental difference between the structures of political power in the two countries. Gorbachev, as general secretary of the Communist Party in the Soviet Union, was the country's paramount leader with the political authority to carry out sweeping reforms. By contrast, under Iran's constitutional structure, the position of president remains subordinated to that of the supreme leader, who exercises direct

control over key organs of state power (such as the military and the judiciary). So even though the 1997 election gave Khatami a mandate for change, his scope for action was severely constrained by this constitutional arrangement. But one attribute that Khatami shared with Gorbachev was that neither was a revolutionary. Like the former Soviet leader, Khatami entered office intending to make the Islamic Republic's system work better, not overthrow it.⁶⁷ He arose from the ruling clerical class, one of only 4 candidates out of nearly 240 that the Council of Guardians permitted to compete in the 1997 presidential election.⁶⁸ Khatami has not directly challenged the authority of the supreme leader based on the *velayat-i-faqih* principle enshrined in the constitution. He has, however, called for a "civil society ruled by law"—a phrase widely interpreted as a call for limiting clerical involvement, including that of the supreme leader, in politics. CIA Director George Tenet told the Senate Select Committee on Intelligence in January 1998 that Khatami is engaged in a "genuine struggle . . . with the hard-line conservatives."⁶⁹ This political struggle over the role of the clergy in society remains the central issue in Iranian politics. Its outcome, in turn, will determine the context within which the Teheran regime's policy toward Washington is made.

The sharp split between Khatami and Khamenei was evidenced at the December 1997 meeting of the Islamic Conference in Teheran, an international gathering of heads of state that marked Iran's emergence from pariah status. While Khamenei emphasized confrontation with the West, Khatami stated, "Our era is an era of preponderance of Western culture and civilization, whose understanding is imperative. . . . Undoubtedly, we will only succeed in moving forward . . . if we . . . utilize the positive scientific, technological and social accomplishments of Western civilization, a stage we must inevitably go through to reach the future."⁷⁰ A month later, in his CNN interview, Khatami expanded on his Islamic Conference speech and on a December 14 press conference in which he had expressed hopes for a "thoughtful dialogue" with "the great people of the United States." The centerpiece of the Iranian president's remarks was his proposal for a "dialogue between civilizations," a process that he carefully distinguished from "political relations" (see Appendix). *New York Times* correspondent Sciolino, reporting the claim by Khatami aides that Khamenei had been broadly apprised in advance of the initiative, concluded, "nowhere do the two men disagree more than on their view of the United States."⁷¹ During a Friday prayer sermon at Teheran University following the CNN interview, Khamenei, while refraining from personal criticism of Khatami, rejected a rapprochement with the United States: "Talks with the

United States have no benefit for us and are harmful to us. We don't need any talks or relations with the United States. The regime of the United States is the enemy of the Islamic Republic. . . . You complain about us calling you the Great Satan while you do satanic acts."⁷²

Following Secretary of State Albright's "road map" speech in June 1998 in response to Khatami's CNN interview, Iranian officials expressed irritation that it contained no specific proposal or incentive for a political dialogue going beyond expanded people-to-people contacts. In September, Khatami and Foreign Minister Kamal Kharrazi attended the opening of the UN General Assembly and used the occasion of their presence in New York to further address U.S.-Iranian relations. In a September 22 press conference, broadcast on Iranian television, Khatami stated that his proposal for a cultural dialogue had been misunderstood and precluded government-to-government talks for the time being.⁷³ Foreign Minister Kharrazi's speech at the Asia Society, billed by Iranian officials as the government's response to the Albright address, elaborated on Khatami's rebuff. While noting the "new tone" of American officials, Kharrazi said that Washington was still locked into a "cold war mentality."⁷⁴ In this speech, which former secretary of state Cyrus Vance characterized as "very tough," the Iranian foreign minister issued a stinging criticism of U.S. policies, including the imposition of unilateral U.S. sanctions on the grounds that they violated international law; Washington's opposition to the construction of a pipeline through Iran to transport oil and gas from Central Asia and the Caucasus, thereby "retarding [the] economic prosperity of Iran and the region"; the covert program authorized by Congress to destabilize Iran; the continued U.S. refusal to return Iranian assets frozen during the hostage crisis; and the U.S. "propaganda war" against Iran waged by the Prague-based Radio Free Iran.⁷⁵ During Khatami's highly publicized visit to New York, the political struggle between rivaling factions continued back in Iran. Judicial authorities, controlled by Khamenei, shut down several pro-Khatami publications featuring articles by religious intellectuals that advocated restricting the authority of the supreme leader. This assault on the media was part of the broader backlash by conservative clerics and their radical supporters against Khatami's efforts to develop a new type of "civil society" and for adherence to the Islamic Republic's founding revolutionary principles. In July 1999, prodemocracy students mounted large public demonstrations against press restrictions and the arbitrary power of the conservative clerics. After the demonstrations turned violent, reportedly because of the infiltration of agents provocateurs into the students' ranks, Khatami

issued a stern warning about the government's determination to maintain civil order, and the protests subsided.⁷⁶ But these dramatic six days of civil unrest point to the profound schism in Iran's domestic politics that continues to severely limit Khatami's scope for action, both domestically and in its relations with the United States.

The country's mounting economic problems have exacerbated the domestic political struggle between radical and moderate factions. The Iranian economy has remained beset by sluggish growth, high budget deficits and inflation, low foreign investment, and (until mid-1999) depressed oil prices. The low price of oil resulting from a global glut was of particular significance given the marginal size of Iran's non-oil economy and the consequent importance of these revenues for the regime to finance government services and subsidies. Given a population growth rate of over 2 percent per year, the Iranian economy must annually grow at 6 percent just to maintain the current standard of living; the economy must create seven hundred thousand jobs per year to meet the demand of the country's restive and increasingly assertive youth.⁷⁷ Experts differ over the impact of U.S. sanctions on the Iranian economy. Although these sanctions have been pursued unilaterally, the Clinton administration's drive to isolate Iran economically has had an undisputed impact on the extent of foreign investment in the country's energy sector. Economist Jahanagir Amuzegar offers a balanced assessment: "Since the early 1980s . . . the theocratic regime has moved forward on many economic fronts, but has been effectively held back in its efforts to reach [a] pre-revolution level of national prosperity. U.S. sanctions have had a part in the setback, but not a decisive role. While the regime may survive the enhanced sanctions [referring to the American total trade ban and the ILSA], the economy is not likely to prosper without American and Western support."⁷⁸ The domestic politics of Iran's economic crisis, and its implications with respect to relations with the United States and the West, are complex and often contradictory. As during Rafsanjani's presidency, it is clear that a major motivating factor behind Khatami's reconciliation policy was the need to gain access to American capital and technology. But that economic rationale has not been able to overcome the domestic political impediments to dealings with the United States discussed above. For the radicals, the United States has proved a useful scapegoat to shift blame for theocratic regime's own economic mismanagement.⁷⁹

Clinton administration officials have repeatedly stated that any change in the U.S. sanctions regime would be contingent on demonstrable changes in Iranian behavior in three key areas of concern. Those "red

button" issues, as Middle East specialist Geoffrey Kemp calls them, include Iran's efforts to acquire WMD, its use of terrorism as an instrument of state policy, and its disruptive opposition to the Arab-Israeli peace process.⁸⁰ As these issues are key determinants of American policy, it is important to briefly consider Iranian attitudes and behavior with respect to each—and how they are affected by the ongoing political struggle between the moderate and radical factions.

Terrorism

Although Iran remained on the State Department's 1998 list of state sponsors of international terrorism, U.S. intelligence officials reported that President Khatami was sincerely working to end government support of terrorism and that the main impediment was his inability to consolidate control over the intelligence services.⁸¹ Khatami has displayed political courage by taking on the powerful, shadowy, quasi-governmental foundations that have placed a bounty on Salman Rushdie and are a likely indirect source of funding for terrorist activities. The Iranian Intelligence Ministry made the extraordinary public admission in January 1999 that rogue intelligence officers had assassinated critics of the conservative clergy who opposed Khatami's policies.⁸² As reflected in these developments, the issue of terrorism has become a major front in the ongoing domestic power struggle. Despite Khatami's commitment to curtail terrorism, there has been no discernible decline in such activities, according to U.S. officials. The Khatami camp recognizes the steep political price that Iran has paid with other Middle East states, the Europeans, and more broadly, the international community because of its sponsorship of terrorism. For this reason, Khatami's moderate faction pushed for the resignation of the minister of intelligence as a tangible symbol of change. And yet, radical elements within the theocratic regime and outside Khatami's direct control may continue to view terrorism as a useful instrument to defend and project the values of the revolution. Given the startling revelation of January 1999 regarding the Ministry of Intelligence's rogue operations, it is entirely plausible that the implacable opponents of reconciliation with the "Great Satan" might perpetrate terrorist acts to scuttle any nascent U.S.-Iranian rapprochement.

Weapons of Mass Destruction

During the Khatami era, the Teheran regime continued to deny any intention of developing WMD capabilities.⁸³ Iran is a signatory to the major

nonproliferation agreements—the Nuclear Non-Proliferation Treaty (NPT), the Chemical Weapons Convention, and the Biological Weapons Convention. Iranian officials are quick to point out that Iran was the victim of Iraqi WMD attacks during the Iran-Iraq War while the international community stood by. Despite the regime's declarations to the contrary, Washington is suspicious of Iran's intentions. Clinton administration officials note that Iraq too was a signatory to the key nonproliferation treaties prior to the Gulf War and that it had taken advantage of a permissive export control regime to acquire Western, mainly European, dual-use technologies to mount a massive covert WMD program. Political scientists Chubin and Jerrold Green observe that the U.S. definition of "dual use" has now become so broad that it would bar Iran access to practically any modern technology. This broad technology-denial policy, as discussed above, has failed to win multilateral support. The Clinton administration was also pressed to explain why it opposed the transfer of Russian nuclear power reactors to Iran while it was in the process of providing the very same type of technology to North Korea under the Agreed Framework.

Iran remains a country of nonproliferation concern to American policymakers because of the country's two obvious motivations in obtaining WMD capabilities. The first is that these unconventional capabilities are an alternative to large conventional forces, which the regime has been unable to acquire owing to the country's sustained economic crisis. (Proponents of unilateral U.S. sanctions claim this crisis as a tangible indicator of success, although Iran's cash shortage can more obviously be attributed to the collapse in the price of oil.) The second is the nature of the regional security environment that Iran faces—particularly the potential threat from Iraq if Saddam Hussein should be able to overcome the UN sanctions regime and reconstitute his WMD capabilities. Like their American counterparts, Iranian officials also infer intentions from capabilities: they point to the large U.S. air and naval force in the Gulf region (that hitherto has been used only against Iraq) and Israel's undeclared, but widely acknowledged, nuclear weapons program. Given the political prism through which Iran's leaders view the world, this perception of threat is not implausible.

Developments during 1998–99 continued to raise questions about Iran's WMD intentions. These developments included the successful test of the Shabab-3 medium-range missile, described by a Teheran official as a defensive measure; the imposition of U.S. sanctions on more than a dozen Russian companies for transferring proscribed missile technology to Iran;⁸⁴ disturbing reports that China and Russia may renege on their 1995 commitments to the Clinton administration not to sell sensitive nu-

clear technologies (e.g., uranium enrichment equipment) to Iran,⁸⁵ and a *New York Times* report, denied in Teheran, that Iran had recruited Russian scientists to work in a covert biological weapons program.⁸⁶

The WMD issue poses a dilemma for Iran's divided leadership. On the one hand, these weapons are an economical alternative to a conventional buildup, a potential source of regional influence, and a deterrent to the country's foes. On the other hand, acquiring WMD capabilities would be a violation of Iran's treaty commitments and would reinforce the international pariah status that Khatami seeks to overcome. Military analyst Michael Eisenstadt concludes, "President Khatami might find it difficult to reconcile the two goals, though the matter may not be his to decide."⁸⁷ Indeed, the WMD issue has become closely linked to that of relations with the United States in the internal power struggle. Consider the headline stance articulated by the commander of the Iranian Revolutionary Guard Corps, Yahya Rahim Safavi, in April 1998: "Liberals . . . have taken over our universities and our youth are shouting slogans against despotism. We are seeking to root out counter-revolutionaries wherever they are. . . . Can we withstand American threats and domineering attitude with a policy of détente? Can we foil dangers coming from America through dialogue between civilizations? Will we be able to protect the Islamic Republic from international Zionism by signing the conventions to ban proliferation of chemical and nuclear weapons?"⁸⁸ This remark reflects the contentious domestic political context within which the WMD issue is rooted.

The Arab-Israeli Peace Process

Iran's attitude toward Israel and the peace process is a thorny issue whose status will significantly affect the prospects for reconciliation between Teheran and Washington. The United States has accused Iran of undermining the peace process through its indirect support of Palestinian opposition groups that rely on terrorism, such as Hamas, and its direct military assistance to the Lebanese Shiite group Hizbollah, which operates in southern Lebanon. Iranian leaders have staked out a political position on Israel and the peace process that is more extreme than the Palestinians'. In his January 1998 CNN interview, best known for its call for a "dialogue between civilizations," President Khatami reaffirmed Iran's opposition to the peace process and referred to Israel as a "racist terrorist regime."⁸⁹ Later that month, Arafat told U.S. officials that Khatami had privately assured him that Iran would accept any agreement that he ne-

gotiated.⁹⁰ And yet, Foreign Minister Kharrazi condemned the cancellation of clauses in the Palestinian Liberation Organization's charter calling for Israel's destruction, stating, "The recent move . . . to change the national charter is an act of meanness aimed at humiliating the Palestinian people."⁹¹ Conservative clerics, such as Khamenei and Majlis Speaker Nateq-Nuri, have been even more extreme on Israel and the peace process. Nateq-Nuri told a Teheran University audience in January 1999, "Come out openly, like Iran, and say you don't accept such a country as Israel on the world map. We can make good use of our weapons, military equipment and all our forces."⁹² The Palestinian Authority claimed in November 1998 that it had foiled a plot by Islamic militants, funded and trained by Iran, to assassinate Arafat and other Palestinian leaders.⁹³ In June 1999, the Iranian government announced that thirteen Jews had been arrested for "spying" for Israel and the United States.⁹⁴

The issue of Israel and the Middle East peace process is particularly problematic for the Iranian leadership because it goes to the heart of the revolutionary principles on which the Islamic Republic was founded. This accounts for the contradictory public and private statements made by Khatami and others in the leadership. The regime draws on its external role as the ostensible leader of a worldwide Islamic movement as a source of political legitimacy at home. Although the Khatami election was striking evidence that the Iranian public is primarily concerned about domestic economic and social conditions, the clerical regime will find it difficult for ideological reasons to radically shift its policy. That said, a variety of proposals have been offered that would substantially defuse the issue in U.S.-Iranian relations by addressing objectionable Iranian behavior (e.g., ending military assistance to Hizbollah and links to Palestinian terrorist groups). As in other spheres of Iranian policy, a major impediment to change is the existence of independent power centers (such as the Revolutionary Guards, intelligence services, and foundations) that have the ability to circumvent Khatami's policies even if he should prevail in the domestic political struggle.

POLICY ASSESSMENT

This chapter has traced the evolution of the United States's strategy of comprehensive containment and isolation toward Iran since the 1979 revolution. In contrast to U.S. policy toward Iraq, the American objective is not to oust the Teheran regime, but to alter its objectionable behavior. Unlike in the Iraqi and Libyan cases, the United States has pursued this

strategy unilaterally. In so doing, U.S. administrations from Reagan to Clinton have relied almost exclusively on punitive instruments, in particular economic sanctions, to affect the Teheran regime's behavior and bring Iran into compliance with international norms. The country's designation as a rogue or outlaw state by the Clinton administration was a political device to mobilize support, both at home and abroad, for tough measures to increase the pressure on the theocratic regime and thereby compel changes in its behavior. Even before Khatami's election, many in the American foreign policy community had concluded that the Clinton administration's "dual containment" policy was a strategic dead end that underscored the limits of American unilateralism. The administration, however, was moved to undertake such a reassessment only after the 1997 presidential election recast Iran's domestic political landscape. Secretary of State Albright's "road map" speech offered a possible shift from a hard-line strategy featuring only penalties to a mixed one incorporating incentives.

In January 1999, one year after President Khatami's CNN interview and seven months after the Albright speech, a senior State Department official stated that Albright's initiative was "basically moribund" because of pervasive hostility toward the United States in Iran's theocratic regime. The official concluded, "We continue to believe that Khatami is the best opportunity for change we have seen since 1979. . . . [He is] preoccupied . . . fighting a very difficult domestic battle."⁹⁵ Albright's "road map" metaphor suggests that the two parties share a common destination. In both countries, but particularly in Iran, there are those opposed to a normalization of relations because of the very character of the other state and society. Chubin and Green explain the symbolic importance of relations with the United States and why the issue is at the heart of the domestic power struggle:

Reconstituting normal relations will not be easy for either side, but the White House's formidable problems in changing course are minimal compared to those of its Iranian counterpart. Hostility to the US has been a central plank of the Revolutionary platform and sometimes appears to be the Revolution's *only* policy. Deprived of this, radicals would have to devise another enemy, another excuse, possibly even a programme. . . . Normalisation implies that Iran would be a country like any other, losing its Revolutionary mission. The more pragmatic Iran becomes, the less ideology will exercise a hold on its citizens. The clerical regime would lose its power over technocrats and its control over the country. . . . Apart from meeting US demands, Khatami will also have to fend off attacks from the conservatives. . . . His CNN interview . . . was aimed at least as much at Iranian public opinion as at the US. He sought to portray the US as an ordinary state with

commendable values (as well as defects), and thereby undermine its image as the 'Great Satan', the fount of all oppression and vice.⁹⁶

This assessment of Khatami's predicament again points to the profound conflict between the Islamic Republic's dual identities as a revolutionary and an ordinary state.

For Khatami, as with Rafsanjani in the early 1990s, a major motivation underlying the tentative policy of rapprochement with the United States has been Iran's continuing economic malaise. Along with major reforms (such as privatization), the Khatami faction views access to Western capital and technology as an important prerequisite for Iran's economic revival. But the economic pain associated with the unilateral U.S. sanctions has not been sufficient to bring change in Iran's political arena. As Amuzegar observes, American sanctions are unlikely to get the Teheran regime to "cry uncle" and are pushing the country toward greater self-sufficiency.⁹⁷ Iran may be economically stagnating, but it is not a "failed state." Unilateral sanctions (particularly the attempt under the ILSA to extend them extraterritorially) have diplomatically isolated Washington and, in Iran, are depicted by the opponents of normalization as evidence of implacable American hostility.

On the U.S. side, the demonization of Iran as a rogue state has created a significant political impediment to normalization. Iran has been referred to as the "third rail" of American politics that contributed to the electoral defeat of one president (Carter, via the hostage crisis) and nearly brought down another (Reagan, via the Iran-Contra scandal). The United States may be a central defining issue for Iran, but Iran is not for the United States. There is an interest, but no overriding imperative—geostrategic or economic—for the normalization of relations with Teheran. As will be discussed in Chapter 6, this situation contrasts with that of North Korea, in which the imminent danger of the Pyongyang regime's nuclear program pushed the reluctant Clinton administration toward a strategy of limited engagement through the Agreed Framework. In the absence of such an imperative for engagement, the domestic political hurdles blocking normalization on the American side will likely remain formidable. One of this study's main critiques of the rogue state approach is that its demonization of the target state for the purposes of political mobilization makes any subsequent change in policy in response to altered circumstances (such as the election of Khatami) very difficult to negotiate. The Clinton administration has made some gestures in response to Khatami's call for dialogue and his willingness to take on the radicals: for example, it removed Iran from the government's list of major drug-producing coun-

tries in December 1998.⁹⁸ But the situation was reminiscent of that in 1993 when the Bush administration reviewed its Iran policy in the wake of the Gulf War and concluded that any American gesture that would make a real difference in Iran would be politically unpalatable in the United States.

Secretary Albright's important speech of June 1998 did not offer any specific incentive, but did propose a "road map" for normalization in which the two sides would undertake "parallel steps" to break down mutual distrust. This process of conditional reciprocity has not moved forward because of the domestic political impediments on both sides, particularly those in Iran. To break the impasse, some commentators have recommended that the Clinton administration be more explicit in articulating what concrete steps it would take with respect to sanctions if Iranian behavior changed in key spheres of U.S. concern, such as terrorism. In addition, although the scope of action is limited on the American side, some unilateral changes in current policy may be possible if they can be justified on humanitarian grounds or on the grounds that they needlessly penalize U.S. business. These would include U.S. sales to Iran of food and consumer goods that are readily available from foreign suppliers.

The key determinant of U.S.-Iranian normalization is the domestic political struggle in Teheran. In shaping U.S. policy, Chubin and Green have correctly observed that the American concern, articulated by senior officials, of "whether Khatami can deliver" should be reformulated as "what can the US do to see that Khatami can deliver?"⁹⁹ The challenge for U.S. policy-makers is to jettison the generic rogue state approach and develop a nuanced, targeted strategy toward Iran that will support the proponents of normalization inside the clerical regime and make possible Iran's reintegration into the international community. This process of normalization, given the gulf of mutual mistrust, is certain to be lengthy. The near-term issue is whether the reformers, including Khatami himself, will be able to survive the intensifying power struggle in Teheran—a process in which the United States has a clear stake and some ability to influence the outcome.

NOTES

¹ Barbara Crossette, "Albright, in Overture to Iran, Seeks a 'Road Map' to Amity," *New York Times*, June 18, 1998, p. A1.

² For a concise historical survey of U.S.-Iranian relations see Geoffrey Kemp, *Forever Enemies? American Policy and the Islamic Republic of Iran* (Washington, DC: Carnegie Endowment for International Peace, 1994), pp. 19–26.

³ *Ibid.*, p. 21.

⁴ For a detailed examination of the Nixon Doctrine's regional strategy see Robert S. Litwak, *Détente and the Nixon Doctrine: American Foreign Policy and the Pursuit of Stability, 1969–1976* (Cambridge: Cambridge University Press, 1984), pp. 139–43.

⁵ In deference to Arab sensibilities, the Nixon administration referred to its Persian Gulf strategy as a "twin pillar" policy, with Saudi Arabia as the other designated regional partner. Saudi Arabia was the dominant member of the then-powerful Organization of Petroleum Exporting Countries but was a negligible military power.

⁶ See the excellent analysis of U.S. decision-making in Charles-Phillipe Davis, Nancy Ann Carol, and Zachary A. Selden, *Foreign Policy Failure in the White House* (Lanham, MD: University Press of America, 1993).

⁷ *Economist*, September 5, 1987, p. 13, as cited in Shahram Chubin and Charles Tripp, *Iran and Iraq at War* (London: I. B. Tauris, 1988), p. 215. The Chubin-Tripp volume is the most comprehensive narrative history of the Iran-Iraq War.

⁸ Shahram Chubin, "The Last Phase of the Iran-Iraq War: From Stalemate to Ceasefire," *Third World Quarterly* 11, no. 2 (April 1989), p. 13.

⁹ Kemp, *Forever Enemies?* pp. 24–25.

¹⁰ *Public Papers of the Presidents of the United States: George Bush*, 1989, vol. 1 (Washington, DC: U.S. Government Printing Office [GPO], 1990), pp. 1–4.

¹¹ The quotations from Khomeini's political will and Rafsanjani are cited in Bruce W. Jentleson, *With Friends Like These: Reagan, Bush, and Saddam, 1982–1990* (New York: Norton, 1994), pp. 96–97.

¹² Elaine Sciolino, "Distrust of U.S. Hinders Iran Chief," *New York Times*, April 10, 1992, p. A3.

¹³ Elaine Sciolino, "CIA Says Iran Makes Progress on Atom Arms," *New York Times*, November 30, 1992, p. A1.

¹⁴ Elaine Sciolino, "After a Fresh Look, U.S. Decides to Steer Clear of Iran," *New York Times*, June 7, 1992, section 4, p. 5; the spring 1992 policy review on Iran is discussed in Alexander L. George, *Bridging the Gap: Theory and Practice in Foreign Policy* (Washington, DC: United States Institute of Peace Press, 1993), p. 60.

¹⁵ Elaine Sciolino, "U.S. Hopes to Broaden Ban on Arms Sales to Iran," *New York Times*, November 18, 1992, p. A5.

¹⁶ Keith Bradsher, "Boeing Asks to Sell Jets to Iran Air," *New York Times*, September 30, 1992, p. D5.

¹⁷ Elaine Sciolino, "Christopher Signals a Tougher U.S. Line toward Iran," *New York Times*, March 31, 1993, p. A3.

¹⁸ Robert Keatley, "U.S., Hurting Boeing and Aiding Airbus, Is Likely to Keep Ban on Jet Sales to Iran," *Wall Street Journal*, April 9, 1993, p. A7.

¹⁹ Ayatollah Khomeini's son, Ahmed Khomeini, called the PLO-Israel agreement "unprecedented treachery" and President Rafsanjani continued to refer to Israel as an "illegitimate state."

²⁰ Peter Waldman, "Turning Back: As Economy of Iran Worsens, Government Reverts to Hard Line; Radical Clerics Who Oppose Market Reforms Regain Control over Rafsanjani; Missed Chance for the U.S.?" *Wall Street Journal*, June 28, 1994, p. A1.

²¹ Douglas Jehl, "U.S. Seeks Ways to Isolate Iran; Describes Leaders as Dangerous," *New York Times*, May 27, 1993, p. A1.

²² Prior to a December 1993 meeting between U.S. and EU officials, a senior German official said, "The American position is not fair. The Americans are saying, 'These are the bad guys and be finished with them.' We are saying, 'These are the outcasts and isn't it better to have a dialogue with them.' We have a certain difference of

approach based on practicality." Quoted in Elaine Sciolino, "U.S. and Germany at Odds on Isolating Iran," *New York Times*, December 2, 1998, p. A13.

²³ Tim Weiner, "Iran and Allies Are Suspected in Bomb Wave," *New York Times*, July 29, 1994, p. A1.

²⁴ Cited in Geoffrey Kemp, *America and Iran: Road Maps and Realism* (Washington, DC: Nixon Center, 1998), p. 65.

²⁵ Todd S. Purdum, "Clinton to Order a Trade Embargo against Teheran," *New York Times*, May 1, 1995, p. A1.

²⁶ David E. Sanger, "The Iran Exception; U.S. Will Deal with Other Old Foes but Still Sees Teheran as an Outlaw," *New York Times*, March 15, 1995, p. D5.

²⁷ Purdum, "Clinton to Order a Trade Embargo against Teheran."

²⁸ In the lead-up to the June 1995 meeting of the G-7 and Russia in Halifax, Nova Scotia, the leading European nations voiced opposition to the U.S. trade ban and their commitment to "critical dialogue." German economics minister Gunter Rexrodt said, "We do not believe that a trade embargo is the appropriate instrument [for] influencing opinion in Iran and [bringing] Iran to behave responsibly. . . . Only political dialogue can bring Iran to behave responsibly." Alan Cowell, "U.S. Fails to Enlist European Allies in Iranian Trade Embargo," *New York Times*, May 3, 1995, p. A7.

²⁹ During the Shah's era, the Iranian rationale for pursuing nuclear energy was (a) oil reserves were limited; (b) by some date in the future, domestic consumption (for energy and raw materials purposes in chemical industries) would use up the bulk of Iranian oil production; and (c) oil and gas were more valuable as export products, especially if processed into petrochemicals, synthetic fibers, etc. This argument is not without merit. On this and other topics in this chapter, I gratefully acknowledge the help of Shaul Bakhash.

³⁰ Steven Greenhouse, "Russia and China Pressed Not to Sell A-Plants to Iran," *New York Times*, January 25, 1995, p. A6.

³¹ For a more detailed analysis of Iran's nuclear program and intentions see Shahram Chubin, "Does Iran Want Nuclear Weapons?" *Survival* 37, no. 1 (Spring 1995), pp. 86-104; David Schwarzbach, "Iran's Nuclear Puzzle," *Scientific American* 276 (June 1997), pp. 62-65.

³² "A Nuclear Deal with Iran" (editorial), *New York Times*, January 8, 1995, section 4, p. 18.

³³ In congressional testimony, Assistant Secretary of State for Near Eastern Affairs Robert Pelletreau stated: "We do believe that there are important distinctions between North Korea and Iran. Under our framework agreement with North Korea, they have agreed to abandon an existing nuclear weapons infrastructure, which is based on gas graphite reactors, in exchange for light-water reactor technology. That is less efficient for plutonium production. North Korea has agreed to limit its nuclear fuel cycle, and will neither reprocess spent fuel or plutonium, nor enrich uranium. Thus the North Korean nuclear agreement results in a large net nonproliferation gain. With respect to Iran, its nuclear infrastructure is now at a fairly rudimentary stage, and the provision of light-water power reactors to Iran would give Iran capabilities that they do not currently have. That would result in a large net nonproliferation loss. That is what we see as the essential difference. Acquisition of these reactors in the Iranian case would broaden Iran's nuclear infrastructure, and would provide training and potential technology that, over time, could form the foundation and be useful for a nuclear weapons program." U.S. House of Representatives, Committee on International Relations, "U.S. Policy Toward Iran and Iraq" (104th Cong., 1st sess., 1995), p. 31.

³⁴ The legislation included a presidential waiver provision, which the Clinton administration exercised in 1995 and 1996 because of its overriding commitment to

support the democratic transition in Russia and to resolve this matter with the Russian government diplomatically (e.g., through the periodic Gore-Chernomyrdin Commission meetings).

³⁵ Kemp, *America and Iran*, pp. 54-55. In foregoing these deals with Iran, Beijing was motivated by its desire to win certification under U.S. nonproliferation laws to qualify for nuclear commerce with the United States (i.e., the purchase of U.S. civil nuclear reactors).

³⁶ As noted in Chapter 1, one factor that profoundly changes the nonproliferation equation in the post-Cold War era is the potential availability of illicitly obtained fissile material from the former Soviet Union. The ability of Iran and other countries of proliferation concern to thus secure weapons-grade fissile material obviates their need to develop indigenous uranium-enrichment capabilities.

³⁷ Anthony Lake, "Confronting Backlash States," *Foreign Affairs* 73, no. 2 (March/April 1994), p. 52.

³⁸ U.S. House of Representatives, Committee on International Relations, "U.S. Policy Toward Iran," p. 23.

³⁹ David Rogers, "Gingrich Wants Funds Set Aside for Iran Action," *Wall Street Journal*, October 27, 1995, p. A16.

⁴⁰ Kenneth Katzman, "Iran: Current Developments and U.S. Policy," Congressional Research Service (CRS) Issue Brief no. 93-033 (January 2, 1997), p. 13.

⁴¹ The United States has refused to have contact with the most active opposition group, the People's Mojahedin Organization of Iran, led by Maryam Rajavi, who is based in Paris. A 1994 State Department report concluded that the group is linked to Iraq, conducted terrorist attacks against Americans during the Shah's era, supported the 1979 takeover of the U.S. embassy, and does not have much support inside Iran. *Ibid.*

⁴² At a press conference with President Mubarak at Sharm al-Shiekh, the site of the international conference, President Clinton declared, "I took far stronger steps against Iran than any of our European allies had taken up to that point. And many of them disagree with me honestly. They believe that it's better to maintain some dialogue, to have some engagement. I have continued to argue for the isolation of *rogue states*. I did it in the United Nations last year, and I continue to do that, and I will continue to do that based on the evidence we have at hand." White House, Office of the Press Secretary, "Press Conference by President Clinton and President Mubarak," March 13, 1996 (emphasis added).

⁴³ For more on the issue of Iran's links to international terrorism see Kemp, *America and Iran*, pp. 43-50.

⁴⁴ Thomas L. Friedman, "Rethinking Iran Policy," *New York Times*, September 11, 1996, p. A19.

⁴⁵ Elaine Sciolino, "Time to Shift Course on Iran?" *International Herald Tribune*, September 23, 1996, p. 5.

⁴⁶ Zbigniew Brzezinski, Brent Scowcroft, and Richard Murphy, *Differentiated Containment: U.S. Policy toward Iran and Iraq—Report of an Independent Task Force* (New York: Council on Foreign Relations, 1997), pp. 3, 12.

⁴⁷ See, for example, Peter W. Rodman, "Why Ease Up on Iran?" *Washington Post*, December 11, 1996, p. A25.

⁴⁸ Alison Mitchell, "Clinton Sees Hope in the Election of Moderate as President of Iran," *New York Times*, May 30, 1997, p. A10.

⁴⁹ Douglas Jehl, "Iranian President Calls for Opening Dialogue with U.S.," *New York Times*, December 15, 1997, p. A1.

⁵⁰ Elaine Sciolino, "Clinton Hails Iranian Overture but Isolation Policy Is Unchanged," *New York Times*, December 16, 1997, p. A1.

- ⁵¹ Department of State, Office of the Spokesman, "Secretary of State Madeleine K. Albright Remarks at the 1998 Asia Society Dinner, June 18, 1998" (<http://secretary.state.gov/www/statements/1998/980617a>; emphasis added).
- ⁵² Steven Erlanger, "Grading the Secretary: Albright, a Bold Voice Abroad Finds Her Role Limited at Home," *New York Times*, September 1, 1998, p. A1.
- ⁵³ David Menashri, *Revolution at a Crossroads: Iran's Domestic Politics and Regional Ambitions* (Washington, DC: Washington Institute for Near East Policy, 1997), p. 7.
- ⁵⁴ Shaul Bakhash, "Iran's Remarkable Election," *Journal of Democracy* 9, no. 1 (January 1998), pp. 80-81.
- ⁵⁵ Cited in Menashri, *Revolution at a Crossroads*, p. 9.
- ⁵⁶ *Ibid.*, p. xv.
- ⁵⁷ *Keating's Record of World Events, 1994* (London: Longman, 1994), p. 40206.
- ⁵⁸ Bakhash, "Iran's Remarkable Election," p. 83.
- ⁵⁹ "Iran's Leader Challenges U.S. and Talks of Re-election Bid," *New York Times*, February 1, 1993, p. A2.
- ⁶⁰ Kemp, *America and Iran*, pp. 65-66.
- ⁶¹ *Keating's Record of World Events, 1995*, p. 40574.
- ⁶² Elaine Sciolino, "Iranian Leader Says U.S. Move on Oil Wrecked Chance to Improve Ties," *New York Times*, May 16, 1995, p. A6.
- ⁶³ Peter Waldman, "Turning Back: As Economy of Iran Worsens, Government Reverts to Hard Line; Radical Clerics Who Oppose Market Reforms Regain Control over Rafsanjani; Missed Chance for the U.S.?" *Wall Street Journal*, June 28, 1994, p. A1.
- ⁶⁴ *Keating's Record of World Events, 1995*, p. 40574.
- ⁶⁵ Elaine Sciolino, "Iran, the Sequel: New Actors, but the Same Lines," *New York Times*, January 23, 1994, section 4, p. 4.
- ⁶⁶ Stephen C. Fairbanks, "Theocracy versus Democracy: Iran Considers Political Parties," *Middle East Journal* 52, no. 1 (Winter 1998), p. 18.
- ⁶⁷ The Gorbachev analogy is examined in Shaul Bakhash, "Iran's Unlikely President," *New York Review of Books* 45, no. 17 (November 5, 1998), p. 51. See also David Menashri, "Whither Iranian Politics? The Khatami Factor," in Patrick Clawson, Michael Eisenstadt, Eliyahu Kanovsky, and David Menashri, *Iran under Khatami: A Political, Economic, and Military Assessment* (Washington, DC: Washington Institute for Near East Policy, 1998), pp. 20-21.
- ⁶⁸ Fairbanks, "Theocracy versus Democracy," p. 17.
- ⁶⁹ R. Jeffrey Smith, "Khatemi Wants to End Terrorism, Officials Say," *Washington Post*, May 5, 1998, p. A9.
- ⁷⁰ John Lancaster, "Iran's Top Leaders Differ on Relations with West," *Washington Post*, December 9, 1997, p. A1.
- ⁷¹ Elaine Sciolino, "Mullah Who Charmed Iran Is Struggling to Change It," *New York Times*, February 1, 1998, pp. A1, 6.
- ⁷² John Lancaster, "Head Iranian Cleric Rejects Talks with U.S.," *Washington Post*, January 17, 1998, p. A18.
- ⁷³ Elaine Sciolino, "Iranian Dismisses All Hope for Now of Political Thaw," *New York Times*, September 23, 1998, pp. A1, 7.
- ⁷⁴ Elaine Sciolino, "A Top Iranian Aide Rejects U.S. Overture on New Ties," *New York Times*, September 28, 1998, p. A11.
- ⁷⁵ *Ibid.*
- ⁷⁶ Elaine Sciolino, "For Once, the Veil That Hides Conflict Slips," *New York Times*, July 18, 1999, section 4, p. 5. In the aftermath of the demonstrations, a number of the pro-Khatami student activists were arrested. In addition, some commanders of the Revolutionary Guards wrote an open letter in a hard-line newspaper to Presi-

dent Khatami indicating their opposition to his reformist agenda: "Our patience is at an end. We do not feel it is our duty to show any more tolerance . . ." (<http://www.cnn.com/world/meast/9907/22/iran.protest/>).

- ⁷⁷ Data cited in Shahram Chubin and Jerrold D. Green, "Engaging Iran: A US Strategy," *Survival* 40, no. 3 (Autumn 1998), p. 154.
- ⁷⁸ Jahangir Amuzegar, "Iran's Economy and the US Sanctions," *Middle East Journal* 51, no. 2 (Spring 1997), p. 185.
- ⁷⁹ Discussed in Chubin and Green, "Engaging Iran," pp. 154-55.
- ⁸⁰ Kemp, *America and Iran*, part 2.
- ⁸¹ R. Jeffrey Smith, "Khatemi Wants to End Terrorism, Officials Say."
- ⁸² Douglas Jehl, "Iranians Assert Rogue Officers Slew Dissidents," *New York Times*, January 6, 1999, p. A1.
- ⁸³ Chubin and Green, "Engaging Iran," p. 159.
- ⁸⁴ Kemp, *America and Iran*, p. 56.
- ⁸⁵ Michael Eisenstadt, "The Military Dimension," in Clawson et al., *Iran under Khatami*, p. 82. For example, in January 1998, the United States obtained information that China was considering the sale of a uranium conversion plant to Iran and approached the Chinese government to head off the transaction.
- ⁸⁶ Judith Miller and William J. Broad, "Bio-Weapons in Mind, Iranians Lure Ready Ex-Soviet Scientists," *New York Times*, December 8, 1998, pp. A1, 12.
- ⁸⁷ Eisenstadt, "The Military Dimension," p. 86.
- ⁸⁸ Michael Eisenstadt, "Iran's Revolutionary Guard Commander Sends a Warning," *Policywatch* no. 314 (Washington, DC: Washington Institute for Near East Policy, May 7, 1998).
- ⁸⁹ Interview with Iranian President Khatami, CNN, January 7, 1998 (<http://www.cnn.com/World/9801/07/iran/interview/>).
- ⁹⁰ Robin Wright, "Clinton Encourages More Exchanges, Better Ties with Iran," *Los Angeles Times*, January 30, 1998, p. A6, cited in "On the Record: Iran and the Middle East Peace Process," *Peacewatch* no. 196 (Washington, DC: Washington Institute for Near East Policy, January 20, 1999), pp. 1-2.
- ⁹¹ *Reuters*, "Iran Slams Palestinian Charter Change," December 13, 1998.
- ⁹² Agence France Press in "On the Record: Iran and the Middle East Peace Process," *Peacewatch* no. 196 (Washington, DC: Washington Institute for Near East Policy, January 20, 1999).
- ⁹³ *Jerusalem Post*, November 4, 1998; cited in *ibid.*
- ⁹⁴ Foreign diplomats in Teheran said that the arrests, which were strongly condemned by European governments and the Clinton administration, had been instigated by Khatami's conservative opponents to block a rapprochement with the United States. Douglas Jehl, "Arrest of 13 Iranian Jews as Spies Divides Factions in Teheran," *New York Times*, June 18, 1999, p. A12.
- ⁹⁵ Thomas W. Lippman and David Ottaway, "Iran Requests \$500 Million in Food Items," *Washington Post*, January 19, 1999, p. A13.
- ⁹⁶ Chubin and Green, "Engaging Iran," pp. 163-64.
- ⁹⁷ Jahangir Amuzegar, "Adjusting to Sanctions," *Foreign Affairs* 76, no. 3 (May/June 1997), p. 37.
- ⁹⁸ Thomas W. Lippman, "U.S. Removes Iran from Its Drug List," *Washington Post*, December 8, 1998, p. A23.
- ⁹⁹ Chubin and Green, "Engaging Iran," p. 165. During the prodemocracy student demonstrations in July 1999, President Clinton wisely refrained from public comment at a White House press conference, arguing, "I'm reluctant to say anything for fear that it will be used in a way that's not helpful to the forces of openness and reform." White House, Office of the Spokesman, "Press Conference by the President, July 21, 1999."