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RETHINKING ECONOMIC SANCTIONS ON IRAN

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In recent years, the imposition of economic sanctions against Middle Eastern actors has repeatedly failed to achieve their hoped-for foreign policy goals. The most prominent failures have been in Iraq, where Saddam Husayn refused to withdraw from Kuwait in 1990, or to subsequently bend to the international community's demand that it come clean on its WMD program, between 1991-2003; and with regard to the Palestinian Hamas government, which refused to recognize Israel (Feb. 2006–June 2007). Indeed, long-term sanctions as a stand-alone policy tool may senselessly increase the suffering of innocent people, even while bolstering the regime that the sanctions are designed to punish.

The question which must now be asked is this: Can economic sanctions be effective in containing Iran's military nuclear project? Are there lessons to be drawn from previous Middle East experiences with sanctions?

Economic Sanctions: Theory and the Middle East

Economic sanctions are best understood as a strategy for changing the behavior of a particular party. In the event of failure, other options not previously available may actually open up, especially for democratic regimes. For example, the sanctioning party may benefit from the high moral ground of having first employed

non-violent methods on behalf of its goals, rendering it more able to resort to military action.

Conventional wisdom holds that a long-term imposition of sanctions is vital for success. However, the power of the sanctioning country is likely to weaken over time, in the face of growing opposition both at home and abroad, while the "receiver" will find ways to adapt to the sanctions. Hence, the strategy more likely to succeed is the application of concurrent, full-scale economic sanctions, and not a gradual escalation of measures.

The 12-year long sanctions on Iraq provide evidence to this effect. Reports of widespread civilian suffering, such as the sharp increase in infant mortality, led to a moderation of the sanctions, while Saddam Hussein's regime found alternative sources of income that sustained military and governmental activity. Arguably, many more innocent people died in the two subsequent campaigns – the long-term "economic war" and the 2003 war – than the 1990-91 conflict which triggered the sanctions in the first place.

As for Libya, it was the US overthrow of Saddam and not 18 years of sanctions which caused a change of policy by Libyan leader Mu`ammar al-Qaddafi. Fearing that he was next, Qaddafi agreed to abandon his country's nuclear program, publicly renounced terrorism, and announced a compensation package for the families of victims of the Pan Am flight 103 terror bombing.

Sanctions and Iran

Shmuel Even's assessment (*Tel Aviv Notes*, No. 185) suggests that if an extensive embargo is imposed on Iran by a powerful "sender" group, it is likely to cause significant damage to the Iranian economy, especially to its exports (80 percent of which is oil), industrial sector imports (which include refined oil), and possibly employment levels as well. Currently, the level of sanctions being imposed is significantly lower, but that may change. In any event, assuming that neither regime collapse, nor an internal coup, nor a fundamental policy change occurs in the near future, what will be Tehran's assessment of "what the sender will do if we don't yield to demands during economic sanctions"? Iran's earlier historical experience will give it pause: being occupied in both world wars, by the West and Russia; numerous

regime changes assisted by or attributed to foreigners; and additional military defeats and foreign interventions.

Nonetheless, Iran is well aware that the US has shown reluctance to ratchet up its sanctions against countries over issues related to nuclear proliferation (e.g. North Korea, Pakistan and India). The US- Iraq war in 2003 was the only instance in which open warfare followed economic sanctions against WMDs. Qaddafi drew his own conclusions, but Iranian decision-makers might well conclude the opposite, especially in light of growing public opposition in the US to the Iraq war. Overall, the existing sanctions could cause damage to Iran, but they are not the only factor that will be taken into account by Iranian decision-makers. Tehran's response will be greatly influenced by its perception of the West's determination.

Iran sees the acquisition of nuclear weapons as a top national priority. It seems that a central explanation is its *globalistic/jihadist* worldview of uniting the Islamic *umma* and spearheading it as a superpower. Other explanations are also pertinent. The nuclear program is seen as a potent equalizer that can provide national security, regime security/legitimacy, regional hegemony, and energy – as well as enable the siphoning of oil money into trusted private pockets.

On the other hand, the regime has left itself room for further maneuver, for it has never committed itself openly to the development of nuclear weapons. Technology, independence, energy and national rights (“nuclear energy is our inalienable right”) can all be accommodated, with adjustments, within the current discourse. An evasive discourse can be useful not only to camouflage nuclear weapons, but to cover an elegant retreat.

Among the Iranian elites, there seem to be four schools of thought on the nuclear issue, all closely connected to particular interpretations of Iran's global role. The extreme view, adhered to by President Mahmoud Ahmedinejad, sees the nuclear project as part of a revolutionary worldview of opposing global forces, possibly leading to an Armageddon-style global conflagration. Another committed revolutionary view, held by the country's Supreme Guide, Ayatollah Ali Khamene'i, and perhaps by former president Ali Akbar Hashemi-Rafsanjani, supports a policy of calculated brinkmanship in order to gradually unite the Muslim Middle East, and then the rest of the world. The third school of thought sees Iran's Islamic global mission within the framework of a “dialogue of civilizations,” in which a nuclear capability is mainly a technological-military asset. This camp is far from pacifist, however. The

fourth school, comprised of reformist political scientists and religious intellectuals, who have influence but no power, rejects Iran's vision of a global Islam altogether, relegating it to the theological realm. Instead, it focuses on promoting Iran's freedom and prosperity as a liberal Muslim nation-state.

If economic sanctions are lifted and Iran does develop nuclear weapons, the first two groups – both of which subscribe to an aggressive globalistic Islamism – will become more confident and assertive. Such an achievement may also vindicate millenarian views and encourage aggression, with or without the use of nuclear weapons. However, credible economic sanctions that pose a realistic threat to the Islamic system in Iran may convince three of the four schools to reconsider their position. Having been in power for many years, these elite factions do not wish to lose it, and may actively seek to restrain extremist elements.

Moreover, the Iranian system, while authoritarian, is open enough to engage in a debate in its inner circles that reaches across the elites and beyond, to segments of the middle class and the non-governmental clergy. Pressures emanating from sanctions have already unleashed such a debate, which will not be easily stifled even if repression intensifies.

Possessing a nuclear weapon is important to Iran, yet Tehran leaves open the possibility of retreat, with little loss of internal credibility. It therefore seems that if the Iranian regime realizes that the sanctioning countries perceive the nuclear dossier as a “do or die” situation, and are prepared to escalate the conflict after a relatively short period of full-scale economic sanctions, then the chances of changing Iran's nuclear policy are not inconsiderable.