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## **Iraq and “Smart Sanctions”: Reshaping US Policy in the Gulf**

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A decade ago, under a different President Bush, we emerged out of a major foreign policy crisis in the Middle East with the most advantageous position we had had since World War II. We had successfully led a broad Arab-Western coalition to victory against Iraq. In the process, we demonstrated that the US could be a strong and reliable friend of the Arab world, and we created many of the conditions that made a search for a comprehensive Arab-Israeli peace process possible. We created the conditions for military containment of both Iran and Iraq, we had the firm support of our European allies, and we built bridges to Russia and China that allowed us to act together in dealing with peace and security issues in the Middle East.

### **Iraq and the Backlash from the Arab-Israeli Peace Process**

The "Second Intifada" has become one of Saddam Hussein's strongest assets, and one that is winning him popular support throughout the Arab world. The other side of this coin is strong backlash against the US. This backlash is not "fair," the actors in the region are far more to blame for their problems than we are. The conversion of a "peace process" into a "war process" is, however, likely to create years of problems in dealing with the Gulf powers and the Arab world.

Our options are limited. We have nothing to gain from tilting towards the Palestinians at the expense of Israel? We will score no lasting successes, and earn no enduring gratitude, by favoring one set of allies at the expense of another and those who truly oppose us and our values cannot be appeased.

What we can do, however, is to change the context of our policy towards the Arab-Israeli conflict in ways that Secretary Powell may already be attempting. First, we can get out of the middle and stop trying to force the pace. We can actually stop and seriously listen to our allies in Egypt, Jordan, and Saudi Arabia as well as Israel. We can pay serious attention to the views of Europe, and try to bring Russia actively back into the peace process.

We can partially decouple our policy towards the Gulf from the Arab-Israeli issue by addressing local Gulf demands. For example, in the case of Saudi Arabia, we could actively support Saudi Arabia's in joining the WTO, encourage US investment in Southern Gulf states, and support the kind of institutionalized importer-exporter dialogue that Crown Prince Abdullah has called for. We could also raise the visibility of the US in the region with trips by senior US officials and by revitalizing the various bilateral groups we have already established to deal with local economic issues.

Second, we can clearly define our policy towards Israel in ways that will ease the backlash problem without affecting Israel's security. We can make it clear that no amount of threats or outside pressure will block the flow of aid and our commitment to Israel's security.

At the same time, we can make it equally clear that our commitment is to Israel and not to the government of the day. Hopefully a unity government will emerge in Israel that will continue to

seek an end to violence and which will act prudently and pursue peace. If, however, the Sharon government moves towards extremes – if it does not sincerely support the search to end violence and move back towards a peace process --we should react accordingly. The same is true of US opposition to new Israel settlements, excessive economic pressure on the Palestinians, or Israeli overreaction that threatens to broaden the conflict to include Lebanon and Syria. We cannot criticize Israel for preserving its security, but we should clearly and openly oppose the current government of Israel on these issues without reducing our strategic commitment to Israel in any way

More broadly, the Bush Administration can provide added humanitarian aid to the Palestinians. It can also firmly oppose the kind of Congressional domestic political opportunism that ignores the legitimate humanitarian needs of the Palestinians, seeks to relocate the US embassy to Jerusalem before there is a peace, or tries to legislate that the same Palestinian leaders we will eventually need to end the violence should be treated as terrorists.

### **Iraq and US Policy Towards Iran**

Iran is another key player in this strategic game. It is a counterweight to Iraq, and its moderates and the faction that supports President Khatami offer some hope that Iran will evolve to the point that Iran plays a constructive role in the region.

This does not mean that the US should tilt towards Iran to counter Iraq. We should not soften our diplomatic opposition to Iran's opposition to the peace process and Israel's very existence, support of the Hizbollah and violent Palestinian extremists, to Iran's proliferation, and to Iran's build-up of its military capabilities to threaten the flow of shipping and oil through the Gulf.

We should realize however, that the same steps we should take to revise our policy towards the Arab-Israeli conflict will undercut the hard-liners and extremists in Iran. We should allow the Iran-Libya Sanctions Act to sunset and revoke the executive orders that block trade and energy investment in Iran.

Sanctions like ILSA, and the Executive Orders blocking trade and investment in Iran, have not affected Iran's behavior in the ways we desire. Iran has steadily increased its real arms imports and military expenditures since they were passed. They have cut us off from Iran's moderates and business class, they have strengthened hard-liners in demonizing us, and they have encouraged Iran to proliferate. Strategically, they have limited Iran's ability to maintain and expand its energy exports at a time when an increase in world oil production capacity is critical to limiting the rise in energy costs.

### **Iraq and US Policy Towards the Gulf**

As has been touched upon earlier, we should recognize that key Gulf allies like Saudi Arabia feel irritated and neglected. They cannot openly express their resentment of their treatment during the final years of the Clinton Administration, but they feel it deeply. They see the last few years of President Clinton's efforts to rush forwards towards a final Arab-Israel peace settlement as the act of an opportunist who pressures them for his own political advantage. They feel they came

under intense pressure from his Secretary of Energy to increase production and cut oil prices, reacted by making quiet concessions, and were then embarrassed in public while he tried to run for Vice President.

They feel the US ignored Saudi efforts to create an institutionalized dialogue between importers and exporters that could help create fair and stable prices. They feel Clinton's Secretary of State and Secretary of Defense lectured them, rather than consulted, and never really listened. The Saudi's also feel Clinton's trade representative deliberately ignored their efforts to join the WTO. We do not need to sacrifice a single US interest to consult with our Gulf allies, listen to them, and engage in a balanced diplomacy that gives them the priority they deserve. Secretary Powell has already advocated such a balanced diplomacy and he is all too correct in doing so.

### **The Specific Steps We Should Take in Improving Our Policy Towards Iraq**

Secretary Powell's call for "smart sanctions" against Iraq is long overdue, and can help to correct a critical weakness in our foreign policy. It was clear by the mid-1990s that broad economic sanctions were not going to bring down Saddam Hussein, halt Iraqi efforts to proliferate, or cripple the ability of Iraq's military and security forces to repress the Kurds, put down Iraq's Shi'ite opposition, and threaten Kuwait and Saudi Arabia. It was equally clear that they continued to impoverish the ordinary Iraqi, and block Iraq's economic development.

Nearly half a decade later, sanctions have eroded to the point where Iraq has over one billion dollars of uncontrolled income from smuggled petroleum exports. Its "legal" oil revenues in 2000 are estimated at \$21.6 billion, which is 89% higher than in 1999, and more than 170% higher than in 1988. Saddam can now use a combination of this income and the holes in the controls on the UN oil for food program, to buy the loyalty of his power elite, the security forces, and Republican Guards.

It makes good sense to refocus the sanctions effort to ensuring Saddam cannot import conventional arms and the technology and equipment to produce weapons of mass destruction. At the same time, it is equally clear that "smart sanctions" will have serious limits. We almost certainly cannot get the kind of UN and regional consensus to create lasting controls on Saddam's illegal sources of revenue. We cannot block the Iraqi regime from gaining more acceptance, we cannot create tight new financial controls in addition to the ones the UN already exercises, and we cannot block substantial smuggling of weapons parts and dual-use technology.

A slogan like "smart sanctions" also is not enough to prevent the Bush Administration from repeating some of the most chronic failures of the Clinton Administration. The US needs more of a strategy than can fit on a bumper sticker, and that is supported by more analysis than can fit in a fortune cookie.

To be specific, "smart sanctions" can only work if they are part of the following seven major changes in US policy towards Iraq:

- *First, the US must be prepared to confront potential and actual suppliers.* It is uncertain that the US can get even pro forma Security Council agreement to refocusing sanctions in ways

that give them real teeth. The waters and borders of Iran, Jordan, Syria, and Turkey are not going to be sealed, and dual-use items and military spare parts are notoriously hard to police. It will take a massive intelligence effort and confrontational diplomacy with suppliers, and the nations on Iraq's borders, to make "smart sanctions" work. Talk and good intentions are cheap; effective action is difficult and costly.

- *Second, the US must come to grips with the end of the UNSCOM inspection effort and the fact UNMOVIC might do more harm than good if it did return to Iraq.* Effective UN inspection really halted in late 1997, and Desert Fox did virtually nothing to inhibit Iraq's effort to proliferate. Iraq has had years to create an effective network of cells and dual use efforts to develop a break out capability in chemical and biological weapons, improve its nuclear weapons designs, and develop a missile program. UNMOVIC is still banned from Iraq, but if it did return, it might well operate under so many political constraints that it would end up certifying Iraqi compliance, rather than act as an effective deterrent to Iraqi action. The Clinton Administration dodged this issue for its last two years in office, but "smart sanctions" require a clear and detailed plan of action.
- *Third, the US must face the reality of the ineffectiveness of the Iraqi opposition, shift to a long-term covert operations effort.* The Bush Administration threatens to repeat the mistakes of the Clinton Administration and Congress, and go on backing weak and unpopular elements of the Iraqi opposition like the Iraqi National Congress. These movements have no meaningful support from any friendly government in the region, and they have no military potential beyond dragging the US into a "Bay of Kuwait" or "Bay of Kurdistan" disaster. The Turks fear them as a way of dividing Iraq and creating a Kurdistan, and the Arabs fear them as a way of bringing Iraq under Shi'ite control and/or Iranian influence. Worse, they are no substitute for a major covert effort to overthrow Saddam from within, and overt US funding of such movement tends to label the Iraqi opposition as US sponsored traitors. We need to understand that containing Iraq is far more important than legislating the funding of a forlorn hope.
- *Fourth, the US must focus on the continuing need for military containment.* The US has failed to create effective Gulf forces to deal with the Iraqi threat. While Kuwait has made limited progress, the Saudi army remains disorganized, poorly deployed, and ineffective. The Saudi air force has declined sharply in readiness and war fighting capability since 1995. The so-called GCC force in the upper Gulf is a political myth with no warfighting capability, and GCC agreement in late 2000 that it would expand this force was an exercise in political symbolism.

No Gulf powers other than Kuwait and Saudi Arabia can deploy meaningful forces to deal with an Iraqi invasion, and Egypt cannot project power without such massive US support that the net effect would be to cut US force capabilities for the first 30-60 days of any crisis. The US has greatly improved its airpower capabilities against Iraq, and has predeployed the elements of a US Army division in the region (in Kuwait, Qatar, and at sea), but it has allowed a major decline to take place in the readiness of our deployment capabilities. It would now take at least 27 days to deploy one US Army division in the Gulf, and there are serious problems in deploying a full Marine Corps MEF within that period.

- *Fifth, the US must launch an active truth campaign to confront Saddam on oil for food and all of the other issues where he relies on lies and exploitation of tensions in the region.* The Clinton Administration committed a massive foreign policy mistake by failing to engage Saddam over his lies and propaganda. Aside from some sporadic and truly inept press efforts, it allowed him to capture Arab and world opinion in lying about the problems in oil for food and the true causes of the suffering of the Iraq people. It did not engage him actively on human rights inside Iraq, his attacks on Iraq's Shi'ites, his continuing claims to Kuwait, or his threats to Iraq's Kurds. It postured about palaces to the American media, and allowed Saddam to turn UN reporting into a propaganda defeat.

“Smart sanctions” will not work without a massive and continued truth campaign to fully explain the true character of the Iraqi regime that is tailored to Gulf, Arab, and world audiences.

- *Sixth, the US must think now about the ultimate future of Iraq's Kurds.* The erosion of sanctions poses immediate threats to Iraq's Kurds. While the Clinton Administration chose to ignore it, Iraq has been “cleansing” oil-rich areas in Northern Iraq of Kurds and forcing them into other areas or the Kurdish security zone. It is not clear we can prevent this, but getting support for “smart sanctions” and protecting the Kurds means we need a clear US policy on the future of the Kurdish security zone and a definition of Kurdish autonomy that will set policy goals to protect the Kurds while defusing fears Iraq will divide or break up.
- *Seventh, the US must develop a clear energy policy towards Iraq.* “Smart sanctions” must be coupled to a clear energy development policy. Iraq is a nation that has some 11% of all the world's oil reserves and that has not had any coherent energy development efforts since the beginning of the Iran-Iraq War in 1980. US government projections call for Iraqi oil production capacity to more than double from around 2.8 million barrels a day to 6.2 million barrels in 2020. These increases in Iraq's oil exports are also critical to any hope of its economic development and the future of its people. Massive energy investments are required, and they take years to a decade to pay off. They also can provide the Iraqi regime with major new resources.
- *Finally, the US must revitalize the other aspects of military containment.* The true subtext of a “smart sanctions” policy is that we will need a major forward military presence, rapid deployment capability, and war fighting ability to check an Iraqi attack on Kuwait or threat to use weapons of mass destruction indefinitely into the future. The Clinton Administration “spoke stickly and carried a big soft.” It “nickel and dimed” its use of force to contain Iraq, issued a series of abortive threats over UN inspections, launched Desert Fox, and then halted it before it could be effective. Two years of pinprick strikes over the “No Fly Zones” have done as much to give Saddam a propaganda victory as they have to hurt his air defenses.

The Clinton Administration also let many elements of our power projection capability erode. The Marine Corps faces serious readiness problems in deploying and sustaining a MEF in the Gulf. The US Air Force would face deployment problems in rushing in the massive amounts of airpower necessary to halt an Iraqi ground deployment before it got to Kuwait or Saudi

Arabia. The US Army could not meet its deployment goals and its propositioned equipment in the Gulf lacks war reserves, sustainment capability, and often needs modernization.

We also need to make it clear to Saddam what the limits are on his action. We need a formal Bush Doctrine that states our "redlines," that says quite clearly that Gulf security and the continued flow of oil is a vital US national security interest, and that we will remain committed to military containment and close cooperation with our Gulf allies as long as there is a threat from either Iraq or Iran.

































