

BEYOND CONTAINMENT-ENGAGEMENT

A Workshop on
Strategies Toward “Rogue States” and Other Countries of Concern

Stephen Grand, Rapporteur

**Division of International Studies
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Preface

The Woodrow Wilson Center sponsored a workshop entitled *Beyond Containment-Engagement: Strategies Toward “Rogue States” and Other Countries of Concern* on May 14, 1998. This workshop focused on one of the most vexing issues of the post-Cold War era, for the United States and for the international community generally — how to respond to the challenge posed by so-called “rogue states” (such as Iran, Iraq, and Libya), as well as other countries of concern (such as Serbia, Nigeria, and Burma). In organizing this workshop, our goal was to help move the debate beyond the sterile containment-engagement dichotomy. The aim of the workshop was to facilitate the development of a repertoire of more nuanced and targeted strategies to achieve the desired outcomes ranging from improved relations to policy changes and regime changes.

This workshop, building on a previous meeting that featured country case studies, focused on key functional issues underpinning the development of effective strategies — namely, the range of *policy instruments* available to decision-makers and the *multilateral institutions* within which the United States and its allies seek to coordinate their policies. In order to provide background and context for these discussions, the meeting began with a session on the debate over the “out of area issue” in historical and contemporary perspective.

The participants in the workshop consisted of specialists drawn from academia, government, business, and journalism. The speakers were **David Cortright**, President, Fourth Freedom Forum; **Ivo Daalder**, Associate Professor, School of Public Affairs, University of Maryland, College Park; **Alexander George**, Graham H. Stuart Professor Emeritus, Stanford University; **Hrach Gregorian**, President, Institute of World Affairs; **Edward C. Luck**, Executive Director, Center for the Study of International Organizations, New York University School of Law; **Daniel Poneman**, Partner, Hogan & Hartson; and **Paul Stares**, Senior Research Fellow, Japan Institute of International Affairs. The conference organizers are grateful to **Stephen Grand**, Director of the Policy and Opinion Leaders Program at the German Marshall Fund of the United States, for writing the following report that summarizes the workshop's major themes and conclusions. We would also like to express our gratitude to **Alexander George**, Professor Emeritus of Political Science at Stanford University, for his counsel and inspiration. Finally, this workshop was sponsored by the Nonproliferation Project of the Woodrow Wilson Center's Division of International Studies, which receives support from the W. Alton Jones Foundation. We are also grateful to **Michael K. Vaden**, Project Associate, Division of International Studies, for coordinating this workshop.

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With the demise of the Soviet Union, U.S. policymakers' previous overriding concern with averting a nuclear conflict between the two superpowers has given way to a myriad of lesser, but no less daunting, concerns. Chief among these has been how to deal with a class of states that routinely violates the established rules of the international system — whether through terrorism, the proliferation of weapons of mass destruction, or internal repression of their citizenry. Both the Bush and Clinton administrations have pursued a policy of, at a minimum, seeking to isolate these so-called rogue states and, optimally, altering their behavior through economic and other sanctions.¹ It is a policy that has not always found broad support either at home or from allies, nor produced many concrete successes. A series of recent developments — conflicts with European allies over Helms-Burton and the Iran-Libya Sanctions Acts, broad criticism of the dual containment policy towards Iraq and Iran, mounting dissatisfaction with the thirty-five year economic boycott of Cuba, the repeated failure to get Saddam Hussein to comply with the U.N. inspection regime, and the inability to prevent a Serbian crackdown in Kosovo — have highlighted the limitations of such a policy. They have resulted in a drumbeat of public calls for an end to the United States' use of economic sanctions as a foreign policy tool, as well as broad criticism of other aspects of these policies.

On May 14, 1998 in Washington, D.C., the Woodrow Wilson International Center for Scholars convened a group of 33 specialists from academia, government, business, and journalism for a day-long workshop entitled “Beyond Containment-Engagement: Strategies Toward ‘Rogue States’ and Other Countries of Concern.” The intent of workshop organizers Robert Litwak and Bruce W. Jentleson was to try to move beyond the inherently limiting containment-engagement dichotomy that has up to now framed debate on the issue and devise instead a more nuanced set of strategies for dealing with such problem states. The emphasis was on acquiring a richer understanding of the repertoire of tools and institutions available to policymakers in seeking to influence the behavior of “rogue states” and other countries of concern.

The format for the workshop was a series of panel discussions, each of which began with 20-25 minute presentations by both a scholar and a policy practitioner and concluded with a general discussion. In the morning sessions, Paul Stares of the Japan Institute of International Affairs and Ivo Daalder of the University of Maryland analyzed the history of U.S.-European cooperation on “out-of-area issues,” while David Cortright of the Fourth Freedom Forum and Bruce Jentleson of the UC Davis Washington Center explored the utility of inducements and sanctions as policy instruments. In the afternoon, Daniel Poneman, a former National Security Council official, and Edward Luck of the Center for the Study of International Organizations at New York University looked at the role of international regimes (in particular, the Nuclear Non-Proliferation Treaty regime) and the United Nations, while Hrach Gregorian of the Institute of World Affairs highlighted the possibilities and limitations of “Track II” approaches. The workshop concluded with a discussion, led by Alexander George of Stanford University, Robert Litwak of the Woodrow Wilson

Center, and Bruce Jentleson, of the policy implications to be drawn from the day's deliberations.

The timing of the workshop proved significant. Just a few days before the May 1998 workshop, India set off several nuclear blasts, thereby posing a direct challenge to the nuclear non-proliferation regime. The dilemma that India's actions now posed for Western policymakers only served to underscore the problems inherent in a policy that relied heavily upon sanctions to condition behavior. India has a democratically-elected government and is a key counterweight in the South Asia region to growing Chinese military power. U.S. policy prescribed stiff economic sanctions against any violator of the Non-Proliferation Treaty, even a non-signator such as India. But how productive would it now be to isolate India, and how sustainable could such a policy be without broad support from European allies? The Indian blasts and the dilemmas they now posed for U.S. policy were a theme that recurred frequently during the course of the day's discussions.

This essay endeavors to highlight some of the major issues raised during this day-long workshop. It attempts to synthesize the diverse observations and opinions expressed by participants into a coherent statement on the possibilities for developing more nuanced and targeted strategies for dealing with "rogue states" and other countries of concern. Where appropriate, specific comments have been credited to their author. It should be stressed, however, that this paper does not necessarily reflect the views of individual participants.

The Term "Rogue State"

In a Spring 1994 *Foreign Affairs* article, then National Security Advisor Anthony Lake used the term "backlash states" to describe countries such as Iran, Iraq, Libya, and North Korea that refuse to abide by existing international laws and norms.² A variety of terms — including "outlaw states" and "pariah states" — were subsequently used to describe these states, but within U.S. policy making circles it is the "rogue" label that has stuck. Lesser offenders like Serbia, Nigeria, Burma, and Sudan have subsequently been dubbed by policymakers "countries of concern." No longer supported nor reined in by a particular superpower, the leaders of these states have chosen to pursue their national ambitions through means judged illegitimate by much of the rest of the international community because they contravene the accepted rules and norms of the international system. American policymakers have regarded one of the principal challenges of the post-Cold War world to be at a minimum containing, and ideally altering the behavior of, these problem states so as to resocialize them into the community of law-abiding nations.³

Workshop participants took issue with this formulation of the problem and the very relevance of the term rogue state. "Rogue state" is a pejorative rather than analytical term, one that has been employed by American policymakers to demonize a group of states judged hostile to American interests. Its use has

more to do with the exigencies of mobilizing domestic support behind American actions abroad than with a set of objective criteria. The term is misleading in that it is generally the regime that is “rogue” rather than the state or the people who populate it. More importantly, the term is misguided in that, as the Indian case highlights, it is rogue behaviors rather than rogue states that American policy should seek to address.

Session I - The Policy Context: U.S. and Allied Perceptions

Whether directed at “rogue states” or rogue behaviors, the effectiveness of policy is often enhanced through collective action. Surveying the history of American and West European cooperation on “out-of-area” issues since World War II, Paul Stares found numerous instances of discord and of collaboration.

History of Allied Cooperation on “Out-of-Area” Issues

The recent frictions in the alliance generated by the Helms-Burton Act and the Iran-Libya Sanctions Act are nothing new. Since World War II, the United States and its European allies have quarreled frequently over how to deal with security threats emanating from outside the European theater. At the same time, there have also been numerous examples of successful cooperation in such “out-of-area” conflicts.

Stares divided these conflicts into three types: 1) conflicts associated with decolonization, which lasted from approximately 1945 to 1973; 2) conflicts associated with the containment of communism, which were prevalent from 1950 to 1989; and, 3) conflicts associated with world order management, which began in 1960 and continue up until today. As the schematic below demonstrates, Stares found in each instance significant examples of allied cooperation and of discord. In the case of decolonization, events such as Suez (1956) heightened tensions within the alliance, while instances of cooperation and discord can be found in Indochina (1946-54). Similarly, among the range of conflicts associated with communist containment, Grenada (1983) proved among the most conflictual, while Thailand (1962) produced significant allied cooperation. Finally, in crises associated with world order management, the U.S. and Europe quarreled most extensively over issues like the Dominican Republic (1965), while examples of successful cooperation could be found in Lebanon/Jordan (1958) and the Gulf Tanker War (1987-8) — the reflagging of Kuwaiti tankers by the United States during the Iran-Iraq War. Overall, Stares found the most cases of discord over decolonialization and the most instances of cooperation over issues of world order management. Arguably, the Stares schematic overstates the degree of allied discord by focusing exclusively on crises.

Stares concluded that allied cooperation has been highest when the following conditions have applied: 1) the allies have convergent political and economic interests; 2) European security is not at risk; 3) joint action has the blessing of the United Nations; 4) advance consultation has taken place among the allies; and, 5) personal relations among allied leaders are good. Conversely, discord has been most likely when:

1) the allies have divergent political or economic interests; 2) the crisis jeopardizes European security; 3) the legitimacy of joint action is in question; 4) little or no advance consultation has taken place among the allies; and, 5) there are poor personal relations among major U.S. and European leaders.

Differences in U.S.-European Approaches

Ivo Daalder suggested that there are striking similarities between how the U.S. and its European allies approached the management “out-of-area” conflicts during the Cold War and how they approach these issues today. He argued that Americans and Europeans perceive their political and economic interests in fundamentally different ways which limit the possibilities for cooperation. As a global power, he maintained, the United States possesses global interests, while the Europeans remain a regional power with regional interests. Hence, during the Gulf War, the Europeans were concerned primarily with maintaining the security of oil supplies, while American behavior was motivated by broader concerns about stability in the region. Daalder cited historian Arnold Wolfers’ distinction between milieu and possession goals⁴ as illustrative of the differences in how the Americans and Europeans formulate their interests: the Americans define their self-interest in terms of improvements in the international environment, while the Europeans tend to treat the international environment as a given and seek to maximize their own power resources within that environment.

This is a controversial proposition, which other workshop participants were quick to challenge. Gregory Flynn suggested that the Europeans think of the globe in terms of regions, viewing the world first and foremost from the perspective of their own region, with their priorities beginning there and radiating outwards. Thus, while the European Union increasingly concerns itself with global issues, it does so from a regional perspective. Samuel Wells emphasized the importance of disaggregating between the interests of the British, the Germans and the French: the British are determined to cooperate with the United States at almost any cost; the Germans do not want to be involved, save for a public statement of support; and the French derive institutional advantage from disagreements with the Americans. Nonetheless, participants were broadly in agreement that geography matters — that differences between the United States and Europe in terms of the proximity of threats and the size of the space that each occupies are critical in the formulation of each’s respective interests.

Daalder argued as well that Americans and Europeans approach foreign policy with a different set of values. As Henry Kissinger and others have observed, Americans have historically had an idealistic streak when it comes to dealing with the rest of the world. They have tended to view the world in black and white terms — there are friends and there are enemies, but not much in between. By contrast, Europeans traditionally have been much more attuned to the inevitable greys.

Daalder noted that the United States and its European allies also differ in their views on the use of force and other coercive mechanisms. The Powell Doctrine — which counsels that American military power be employed discriminately, but that when employed, an overwhelming preponderance of force be applied in order to accomplish the desired strategic objectives — has become a deeply ingrained element of U.S. foreign policy thinking. European governments, on the other hand, tend to favor a more incremental approach, whereby gradual escalations in the level of conflict are used to try to achieve selected political aims. Recently, European governments have appeared to be gravitating towards the position that force is only legitimate either as a means of self-defense or in upholding international law. Hence, French President Jacques Chirac's pronouncement that all non-Article V interventions require the prior authorization of the United Nations Security Council. European policymakers also tend to be less sanguine than their American counterparts about the utility of employing economic sanctions to achieve political ends.

Impediments to Allied Cooperation in the Post-Cold War World

Daalder posited that several recent developments, not all related to the end of the Cold War, have made allied cooperation in world order management more difficult. First, the end of the superpower rivalry has lowered the costs of disagreement among the allies. Second, both in the United States and in Europe, there has been a general turn inward. Governments and citizens have been preoccupied with the performance of their economies, at the expense of events outside their borders. Such a shift in focus has reduced the capacity of both the United States and its European allies to respond to threats beyond their borders. Third, the end of the nuclear standoff between the United States and the Soviet Union has reduced the costs of not acting, because conflicts that arise do not immediately pose a threat to international stability. One consequence is that preventive action becomes more difficult. As evidenced in Bosnia, Somalia, and Haiti, a vicious circle emerges whereby we refrain from action until very late, at which point the costs of intervening become so high that we are even more reluctant to do so.

Finally, the U.S. Congress has assumed in recent years a more prominent role in foreign policy decision-making. Congress has used its power over the purse to impose its moralistic stamp on U.S. foreign policy. In Daalder's words, "Congress has defined how black black is." Not only has it put certain countries off limits to American trade and aid, but it has also sought to legislate how America's allies should deal with these countries. It has greatly hampered the executive branch's flexibility in foreign policy by imposing unwieldy restrictions that are ultimately difficult to lift. On a host of foreign policy issues where the Congress has seen fit to legislate, the president gets "put into a box," where he has no choice but to fudge the issue in order to avoid a harmful presidential determination.

As a result of these developments, the key issue has increasingly become how you manage alliance relations. Both the United States and the Europeans have become less disposed to use military force unilaterally.

ally, but at the same time have been unable to agree upon more cooperative approaches. Consequently, in crises such as that underway in Kosovo, you see “high rhetoric and low sticks.” Carefully worded joint statements with the threat of dire consequences become a substitute for the actual collective use of military force.

Daalder argued that these post-Cold War developments have made two other factors beyond those mentioned by Stares pertinent in determining the likelihood of allied cooperation. First, cooperation becomes more likely when the very future of the alliance is called into question. Bosnia is the classic example: the United States intervened in 1995 only when such intervention became inextricably linked with the survival of NATO. The need for cohesion always supersedes other concerns. Second, cooperation becomes more likely when the United States exerts leadership. In Iraq (1991), Somalia (1992), North Korea (1994), and Bosnia (1995), the United States succeeded in getting its allies to go along through a mixture of inducements and coercion.

Session II - Policy Instruments: Incentives and Coercion

Allied cooperation is but one element in a successful strategy for dealing with “rogue states.” In seeking to influence the behavior of such states, policymakers have available to them a variety of tools short of military force. Sanctions, particularly economic sanctions, have received considerable attention, but policymakers also have at their disposal various forms of inducements — from aid to trade preferences to military assistance — which have received much less scrutiny. Workshop participants examined the relative strengths and weaknesses of both sanctions and inducements and considered how they can be made to complement one another.

Sanctions

Economic sanctions have been the subject of much criticism recently because they are often employed indiscriminately. Bruce Jentleson noted that too often sanctions are used as a “default option” in the absence of other attractive policy alternatives. They satisfy a perceived need to “do something” when there is insufficient political will to take more coercive action. At times they are but the externalization of domestic political conflicts. Nonetheless, as Jentleson observed, “it is hard to imagine a toolbox without sanctions.” When used properly, as a part of a broader strategy, economic sanctions can often be an important and effective policy instrument for influencing behavior short of war.

Jentleson pointed out that assessing the effectiveness of economic sanctions requires the clear differentiation of objectives. Indeed, the current debates over the efficacy of sanctions often hinge upon how success is defined and over what time period. Changing the behavior of a state can be a slow and difficult process. Policies that appear ineffective when viewed over the short-term may in fact prove successful when viewed

over a longer time horizon. Cortright noted that another problem in measuring success is that there are often multiple objectives. Sanctions may be employed not only in the hopes of bringing about a policy change in the target state, but also to deter other states from acting in similar ways. Jentleson observed that economic sanctions are generally employed for one of three purposes: 1) to limit the target state's access to certain products with military uses; 2) to alter certain of its foreign policies; or, 3) to alter certain of its domestic policies. They may be used either to compel changes in existing policy or deter the adoption in the future of such policies. The more extensive the objectives, the less likely success is to be achieved. It is much easier, for example, to contain a "rogue state" than it is to change its internal policies. Generally, the most efficacious sanctions are those designed to limit the military abilities of another state because they only require limiting the export of selected military hardware and dual-use technology.

The success or failure of sanctions also depends upon how they are imposed. The choice of items targeted for sanctions matters. In certain instances, targeting financial assets, such as through freezing overseas bank accounts, can be highly successful in compelling a country's ruling elite to change policy. In others, an embargo on key exports, such as oil, may be more effective. It depends upon the structure of the regime. Tactics matter as well. Sanctions that are applied comprehensively and decisively are more likely to be successful than those applied partially and incrementally. Speed conveys credibility, whereas the more piecemeal application of sanctions may suggest a lack of seriousness. In many cases, sanctions fail to work not because the sanctions themselves are ineffective, but because they are applied improperly.

Jentleson cited three fundamental conditions that are required for sanctions to be successful in changing the behavior of a target state. First, sanctions must have (or be anticipated to have) significant economic impact. They must adversely affect the material well-being of the target state. Second, they must have strategic credibility. The target state must believe that the threatened sanctions will in fact be carried out. Third, there must be political conversion. The sanctions must have an influence on decision-making in the target state.

A series of factors, relating to the political economy of sanctions use, influence whether or not these conditions pertain. The cooperation of allies is likely to heighten the economic impact of sanctions. Conversely, the presence in the target state of domestic alternatives for the embargoed good may diminish the economic impact. Similarly, the availability to the target state of defensive measures — for example, if leaders can use the threat of sanctions to rally domestic support for the regime — may prevent political conversion.

Jentleson argued that a series of systemic shifts — the end of bipolarity and increasing globalization and democratization — have heightened states' vulnerability to sanctions, while at the same time making sanc-

tions more difficult to impose. Due to increased trade and capital flows between countries, the economic impact of sanctions has increased in recent years. Increasing international specialization and interdependence have made domestic substitution more difficult. In a recent work, Jentleson found that sanctions imposed in the 1990s had, on average, double-digit GNP effects, while in the period immediately prior to 1990, the effect was much more modest (closer to 3% of GNP).⁵

At the same time, in some respects the end of the Cold War has heightened the possibilities for multilateral cooperation in isolating problem states through sanctions. With the threat of a Soviet veto gone, the Security Council has become better able to legitimate such collective action. Witness the fundamental difference in attempts to sanction Rhodesia in the 1970s versus Yugoslavia in the 1990s.

However, Jentleson observed, some of the same factors that have made sanctions more effective have also made them more difficult to impose. For example, the heightened economic impact of sanctions has increased the humanitarian dilemma associated with their use. Because sanctions now have the potential to inflict great damage upon a target state's economy, concern has mounted about their detrimental effects upon civilian populations. For these and other reasons, the use of economic sanctions has also become more domestically contentious. In the United States, for example, a range of interest groups from human rights groups to the American-Israel Political Action Committee to the Christian Coalition have become involved in debates over sanctions use. Heightened concerns about sanctions' effects on civilians, as well as the increased cost of severing economic ties due to expanded trade, have tended to increase the opposition to sanctions use. The more sanctions have become a domestic political issue, the greater the restrictions have become on their use. Finally, the end of the Cold War has brought to the fore structural differences between the United States and its European allies in the relative costs of imposing sanctions. Exports constitute a far larger share of GNP for West European countries than for the United States, so the former are far more likely than the latter to be financially disadvantaged by the imposition of sanctions. The importance of relative gains has only been heightened by the absence of a common Soviet threat, which has meant that commercial rivalries often supersede military concerns.

This "vulnerability/viability paradox," as Jentleson referred to it, is with us to stay and will continue to pose dilemmas for policymakers. Shifts in the nature of the international system mean that in the future both the upsides and downsides of employing sanctions will be accentuated.

Positive inducements

Sanctions are a negative inducement — they are used to punish, compel, deter, deny, or isolate a state in the hopes of altering its behavior. David Cortright argued that policymakers have another important, often overlooked, set of tools at their disposal for dealing with problem states. Indeed, the art of diplomacy is

employing an effective mixture of carrots (inducements) and sticks (sanctions). Inducements are material incentives provided to encourage or reward desired forms of behavior. Inducements can range from favorable trade treatment and membership in regional or international bodies to military equipment and development assistance.

Though not employed as frequently as sanctions, Cortright cited several examples in which inducements have been used with some success. In 1994, the Clinton Administration offered a set of positive inducements to North Korea in an attempt to get that country to abandon its nuclear weapons program. The North Korean regime agreed to halt its nuclear weapons program and open its facilities to inspection, in return for technical assistance in the development of civilian nuclear reactors and the provision of food and fuel. It is difficult to judge whether the agreement will ultimately be successful — there is some evidence that North Korea continues to build an underground nuclear weapons facility — but it did at least open a dialogue with the secretive North Korean regime and slow the development of its nuclear program. Another example of the successful use of inducements is Russia's acquiescence to German unification. The former Soviet Union was offered financial aid in return for troop withdrawals from the former GDR and begrudging acceptance of the incorporation of East Germany into the Federal Republic of Germany. Similarly, Cortright argued that the NATO enlargement process has been nothing more than a gigantic "incentives machine" designed to reward states that develop Western-style political and economic institutions and respect the rights of minorities living within their borders.

Cortright argued that inducements could have usefully been applied, in lieu of sanctions, in the United States' dealings with Iraq (assuming the desired objective was changing the behavior of, rather than ousting, Saddam Hussein). U.S. policy towards Iraq has been all stick and no carrots, with heavy sanctions in place to punish violations of the UN weapons inspection regime (UNSCOM), but few inducements to encourage Iraqi cooperation. In similar fashion, U.S. policy towards the former Yugoslavia has emphasized sanctions against the Serbs, to the exclusion of more positive inducements to good behavior. In 1994, U.N. resolutions 942 and 943 partially lifted the sanctions on Serbia, but offered Milosevic few positive benefits for ending his country's participation in the war in Bosnia.

According to Cortright, inducements have important strengths and weaknesses. One strength of inducements is that they are positive in nature, reinforcing good behavior. They can help build trust with an adversary, whereas sanctions are more likely to close the door on future cooperation. Inducements also, in contrast to sanctions, work with market forces. The incentives they provide conform with, rather than seek to circumvent, the laws of supply and demand. In so doing, they serve to advance rather than impede the growth of trade.

One weakness of inducements is that they can easily degenerate into appeasement. The danger exists that they will be used improperly to reward bad behavior that would have occurred anyway. Inducements work best when provided from a position of strength, but they can suggest weakness when they appear to have been extended out of necessity, either to buy time or assuage a more powerful foe. Positive incentives also work best when doled out incrementally, in response to favorable actions. In the United States, however, congressional control over the purse strings limits such flexibility — the aid spigot cannot be easily turned on and off. Also, in an era of liberalized trade, there are limits to which trade preferences can be used as incentives.

As participants noted, evaluating the effectiveness of inducements requires clarity regarding the objectives sought. U.S. policy towards Iraq is a case in point. If the objective of U.S. policy is to rid Iraq of weapons of mass destruction, then inducements may be an important part of a strategy aimed at gaining Iraqi compliance. On the other hand, if the objective is to overthrow the Hussein regime, then inducements are less suitable. In fact, efforts to topple Saddam may directly undercut efforts at disarmament.

Session III - International Institutions

International institutions provide another mechanism with which to influence the behavior of “rogue states.” Daniel Poneman discussed the achievements and limitations of one such institution: the nuclear non-proliferation treaty (NPT) regime.

The Nuclear Non-Proliferation Treaty Regime

Poneman argued that, India’s nuclear tests notwithstanding, the NPT regime has been remarkably successful in reinforcing international norms regarding the proper uses of nuclear energy. This regime has over time come to include the material control, protection, and accounting of fissile material, as well as a set of International Atomic Energy Agency safeguards intended to provide timely warning of their violation. At the core of the NPT regime is a bargain, enshrined within the 1970 Nuclear Non-Proliferation Treaty, between nuclear and non-nuclear states. The treaty, in essence, “divided the atom into peaceful and weapons or explosive uses.” The non-nuclear states agreed to forswear any nuclear ambitions for the latter purpose, in return for access to safeguarded technology for the former. The treaty, and agreements made subsequent to it, also put in place an elaborate accounting system and set of accompanying controls that allowed for measurability, transparency, and accountability in enforcing this bargain.

According to Poneman, the NPT has been a success because it was structured so as to encourage countries to follow what was in their own national interest. Governments signed on because they saw greater advantages to being inside the regime than outside. In practice, the regime emerged as the product of these decisions taken in the context of each nation’s regional security situations, more than as a bargain between

the nuclear haves and have-nots. As a consequence, the NPT succeeded in delaying for far more years than critics predicted the spread of nuclear weapons.

The treaty regime, however, was not infallible. For one, there was a lack of a clear fall back position: What would happen if a major country violated its norms? For many years, the international community tolerated a situation where a small set of strategically important countries — India, Pakistan, Israel, and South Africa — existed in a grey zone relative to the treaty, as countries that were not declared nuclear weapon states, yet were widely believed to possess the necessary technology to detonate nuclear explosives. India's and Pakistan's nuclear blasts have now posed an "epochal challenge" to the NPT regime. If these nations are rewarded for their recent tests by achieving an enhanced international status unavailable to other non-nuclear-weapon states, Poneman argued, there is a real danger of the entire regime unraveling, as other countries, no longer assured of others' compliance with the treaty or of the continued benefits of self-restraint, recalculate their interests.

The United Nations

The United Nations is another institution that countries can turn to in dealing with rogue states. Once a forum riven by superpower and North-South rivalry, the United Nations has, with the end of the Cold War, become a much more valuable institution for dealing with issues of world order management.

Edward Luck sketched out the advantages and disadvantages of using the U.N. for such purposes. One clear advantage to using the U.N. is its global scope — almost all countries can have a voice in its deliberations. Another is the legitimacy that its decisions confer because of its virtually universal nature. For both domestic and international political purposes, policymakers may find it helpful to have the imprimatur of a U.N. Security Council or General Assembly resolution before acting against a recalcitrant state. U.N. decisions have legal as well as moral force. Another advantage is that the Security Council's mandate is not limited by treaty arrangements, so it has the capacity to address any and all security threats that may arise. A final advantage of using the United Nations is that it puts some distance between the target state and those sanctioning it. Conflicts become somewhat less personal when they are intermediated through the U.N.

The disadvantages associated with working through the United Nations include the difficulty of getting agreement in a General Assembly comprised of 185 member-states and in a Security Council where all permanent members have veto power. States forfeit a degree of flexibility and independence in seeking to work through the U.N., as actions become dependent upon a cumbersome and often unpredictable decision-making process. Policies are also likely to get watered down, as the institutional culture that has developed at the U.N. is one of compromise and moderation. A final disadvantage of working through the

U.N., particular to the United States, is that it is roundly distrusted by Congress.

The United Nations can perform a number of different roles. It can serve a norm-setting function by creating a set of standards and according legitimacy to them. It can build consensus and adjudicate disputes. It can implement policies, though this is an area in which it is relatively weak. It can monitor and evaluate the implementation of policies. And, finally, it can provide a forum for periodic intergovernmental review of policies. The General Assembly's strength is as that of an international forum, whereas the Security Council serves more of an executive role, particularly with regard to security matters. The International Court of Justice can shape international law with its legal opinions. The Secretary General functions as more of a "free radical," in the sense that in certain circumstances he or she can serve as a catalyst to action, as a mediator, and as a bridge builder, though his or her degree of independence will depend on the extent to which the permanent members are deeply invested in the outcome of the particular crisis. The Secretary General, for example, will have relatively little room to maneuver independently in a major confrontation between the US and Iraq.

Though the United Nations can provide a range of policy options, there are important limits to the role the U.N. can play, given its universal membership and the care with which individual nation-states guard their sovereignty. Moreover, because "rogue states" are generally themselves U.N. members, there is often a natural reluctance to discipline them too hard. Indeed, often these states are not as isolated politically as we would think or hope. The interests of the U.N. membership as a whole often do not coincide with that of the P-5, the five permanent members of the Security Council. The majority of member-states accord much greater priority to economic considerations than to security concerns. In fact, there is a growing rebellion within the United Nations against the P-5 and the dominant role that they play, and it is therefore quite possible that the United Nations will become a more awkward and recalcitrant tool over time for purposes of world order management, at least in terms of major security crises.

Bruce Jentleson noted in conclusion that regional organizations, like the Organization for Security and Cooperation in Europe and the Organization for African Unity, are playing an increasingly important role in trying to shape their own regional security environment. Several have grown in stature and in capacity in recent years. One difficulty faced in dealing with the current crises in India, the Middle East and North Asia is that these regions lack such strong regional institutions.

Session IV - "Track II" Mechanisms

In recent years non-traditional, or what have come to be referred to as "Track II," approaches to international conflicts have received increasing attention as another way of dealing with problem states. "Track II" is the generic label now applied to all forms of activities directed at diplomatic problems that are not

official in nature, in the sense of being conducted by governments. It is a deliberately broad term that is meant to encompass everything from private business initiatives to people-to-people exchanges. Some of the better known instances of “Track II” diplomacy are Norman Cousins’ “Dartmouth Group” discussions with Soviet scientists beginning in the late 1950s, Jimmy Carter’s personal interventions in North Korea and Haiti, Herb Kelman’s work with Israeli and Palestinian youth, and the recent Iranian-U.S. wrestling match in Teheran arranged by Search for Common Ground. However, these more visible forms of private diplomacy are but the tip of the iceberg; there are a myriad of less publicized activities ongoing around the globe that include the work of large multinational organizations like CARE and Amnesty International, but also thousands of smaller, grassroots organizations. As Jessica Mathews documented in a recent *Foreign Affairs* article, NGO’s now deliver more assistance worldwide, in dollar terms, than the entire United Nations system.⁶

Hrach Gregorian observed that “Track II” approaches can contribute towards the resolution of international conflicts in four principal ways. First, they can serve an important informational function, opening channels of communication between combatants that would not otherwise be available. Second, they can provide important advisory services, such as tactical advice as to how a conflict can be resolved peacefully. This has been the *raison d’etre* of the Harvard Negotiation Project, for example. Third, they can perform an important monitoring function. They can help to oversee the implementation of any peace agreement to ensure that both sides keep to their end of the bargain. Fourth, they can provide ideas, offering new ways to look at old problems.

The utility of “Track II” approaches has increased with the end of the Cold War. An increasing number of conflicts are within states rather than between them — wars against regimes, where the principal victims are civilians. They result often not from ideological conflict but from tensions created by development, the loss of political legitimacy by corrupt or inept governments, and a consequent struggle for power. Because of their grassroots nature, NGOs are often better equipped than governments both to mediate these disputes and to address their underlying causes.

One of the most important contributions that NGOs can make in such conflicts is facilitating informal communication between “proximate policymakers” — journalists, intellectuals and emerging political leaders. When sustained over time, such long-term investments in a society’s intellectual capital can have a critical influence by changing ways of thinking. In addition to building trust, they can create the intellectual infrastructure — a set of new concepts and approaches — that can eventually provide the basis for a settlement. To illustrate the cost-effectiveness of such an approach, Gregorian compared the \$4 billion that the United Nations spent in Cambodia to the \$200,000 - \$300,000 that might have been required to invest in developing such intellectual infrastructure there.

NGOs have become more professional in recent years. Nonetheless, there still exist important issues of accountability and control. In a small country, a large NGO like CARE can exert disproportionate influence. And, while NGOs often can complement the work of the U.N. and other foreign governments in seeking to resolve a conflict, at times they can work at cross-purposes. In each instance, their legitimacy can be questioned as they lack a clear legal mandate for their actions. An often cited advantage that NGOs have over governments is that they can generally operate much more cheaply and effectively. But in cases like the recent effort to rebuild Bosnia, where a lot of money is being thrown around and the goals sought are ill-defined, they too can be susceptible to inefficiencies and corruption.

Session V - Policy Implications

Alexander George sought to draw from the day's discussions some implications for strategy. Both sanctions and inducements are important tools of foreign policy that policymakers — whether acting unilaterally, in concertation with allies, or through international institutions — can employ in dealing with “rogue states.” However, George argued, these instruments of policy should not be mistaken for a strategy. Containment and engagement are concepts rather than strategies. The challenge for analysts is to translate these abstract concepts into elements of a coherent strategy. As John Lewis Gaddis enumerated in his book *Strategies of Containment*, there are a variety of different forms containment can assume.⁷ Engagement is an even looser conceptual term and is equally difficult to operationalize.

To develop an effective policy for dealing with rogue states, it is important first that the objectives be carefully specified. The provision of incentives and punishments must then be linked to these objectives through strategy. One of the most well known strategies for dealing with an adversary is the “tit-for-tat” strategy elaborated by Robert Axelrod in his book *The Evolution of Cooperation*⁸. “Tit-for-tat” is a form of reciprocity in which one responds to a positive move by an adversary by offering a reward, whereas a negative move is countered with a punishment.

A more nuanced strategy is that of GRIT, (graduated reciprocation in tension reduction) developed by Charles Osgood. In GRIT, one offers an adversary a series of concessions at the outset for the explicit purpose of breaking down distrust. These modest but meaningful rewards are offered unconditionally in the hopes of quickly changing the adversary's image of oneself and thereby initiating a process of detente.

However, George advocated instead a strategy predicated upon conditional reciprocity. In the toughest version of conditional reciprocity, the provision of rewards and punishment is paired and tightly calibrated with the adversary's own actions. A concession is offered at the outset, but it is provided with the explicit expectation of a concrete concession in return. At each subsequent step, “unprecedented reciprocity is

demanded.” The tight linking of rewards and concessions avoids the problems associated with bribes.

The most ambitious form of conditional reciprocity is that which has resocialization of a “rogue state” as its goal. Early in his term, President George Bush attempted such a strategy with Iraq. The problem that the Bush Administration’s policy encountered, Alexander George claimed, was that it lacked adequate specificity.⁹ Conciliatory gestures were made to Iraq without adequate specification of what Iraqi actions were required or expected in return. For a policy built upon conditional reciprocity to be successful in modifying the behavior of a “rogue state” and socializing it back into the community of nations, actions must be tightly calibrated to those of the target state. Similarly, threats “must be sufficiently credible and potent” to deter the target state from opting for another course. The more difficult the desired change in behavior, the greater the credibility and potency of threats required.

Recommendations

The objective of this Woodrow Wilson Center conference was to move beyond the inherently limiting contemporary debate between containment and engagement and develop a more sophisticated understanding of the instruments, institutions, and strategies at the disposal of policymakers in dealing with “rogue states.” From the proceedings, several policy recommendations can be gleaned for dealing with “rogue states” and other countries of concern:

First, U.S. policymakers need to be careful to clarify at the outset the objectives of policy. In dealing with a “rogue state,” what are the goals sought? How are we to measure progress towards those goals? What conditions would need to be met to declare a policy a success?

Second, policymakers need to be cognizant of the full array of instruments and institutions at their disposal for dealing with “rogue states” and the strengths and limitations of each. The pertinent question for policymakers is not whether or not economic sanctions are effective, but in what instances they are most effectively employed, in conjunction with what other tools, and under the auspices of which institutions.

Third, policymakers need to develop more nuanced strategies for matching tools and objectives. Neither containment nor engagement are themselves strategies. Rather, effective diplomacy requires a careful mix of carrots and sticks designed to alter behavior. Policymakers should endeavor to calibrate the provision of rewards and punishments to a “rogue state’s” actions consistent with a strategy of conditional reciprocity.

Fourth, policymakers require country-specific knowledge in order to be able to tailor such a

strategic vision to particular circumstances. There are no cookie-cutter solutions to the policy challenges posed by “rogue states.” For a strategy of conditional reciprocity to be successful, policymakers must understand the context within which actions by the “rogue state” take place.

Fifth, **policymakers need flexibility and resources in order to carry out such sophisticated strategies.** The U.S. Congress needs to give the Executive branch the maneuvering room to tailor punishments and rewards in response to the specific actions of a “rogue state.” Sanctions must be both easy to impose and easy to remove. Likewise, the resources must be available within the foreign aid budget to be able to provide positive rewards for cooperation.

Sixth, **policymakers need the support of allies in order to be able to implement such strategies successfully.** The impact of sanctions or inducements are enhanced by collective action. The U.S. and its European allies should strike a strategic bargain whereby the U.S. agrees to employ sanctions more discriminately and only after consultation with allies, and its allies agree in return to adhere fully to such sanctions regimes.

Seventh, **policymakers should be willing to work through international institutions where it serves American interests.** International forums can serve the important function of building consensus as to how to deal with a “rogue state” and according legitimacy to the actions then undertaken. At the same time, policymakers must be cognizant of the trade-off inherent in working through international institutions: that this added legitimacy comes at the price of reduced policy independence.

Eighth, **policymakers should be open to non-traditional or “Track II” approaches.** Non-state actors can play an important role in mediating disputes or proposing novel approaches to solving crises. They offer policymakers an alternative course when traditional diplomacy fails.

Ninth, **policymakers and scholars need to do further conceptual work regarding how we think about states that threaten international stability.** The label “rogue state” is a politically charged term that often impedes more than it facilitates clear thinking on this issue. What kind of behavior is it specifically that we are seeking to guard against? How do we differentiate between such “rogue” behavior and states’ legitimate pursuit of their own national interests?

¹As explained herewith, the term “rogue state” is a politically charged one, which has limited analytical value. Nonetheless, it is used in this paper because it is the term that U.S. policymakers have adopted to categorize a class of states whose behavior is deemed to threaten the stability of the international system.

²See Lake, "Confronting Backlash States," *Foreign Affairs*, March/April 1994.

³The State Department now characterizes the post-Cold War world as comprised predominantly of four categories of states: "full members of the international system; those in transition, seeking to participate more fully; those too weak, poor, or mired in conflict to participate in a meaningful way; and those that reject the very rules and precepts upon which the system is based." See Madeleine K. Albright, "The Testing of American Foreign Policy," *Foreign Affairs*, November/December 1998.

⁴Arnold Wolfers, *Discord and Collaboration*, (Baltimore: Johns Hopkins Press, 1962).

⁵Jentleson, "Economic Sanctions and Post-Cold War Conflicts: Challenges for Theory and Policy," study prepared for the Committee on International Conflict Resolution, Commission on Behavioral and Social Sciences, National Research Council, National Academy of Sciences, forthcoming 1999.

⁶Mathews, "Power Shift," *Foreign Affairs*, January/February 1997.

⁷Gaddis, *Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy* (Oxford University Press, 1982).

⁸Axelrod, *The Evolution of Cooperation* (New York: Basic Books, 1984).

⁹For a more detailed analysis of why the Bush Administration's early Iraq policy failed, see Alexander George's *Bridging the Gap: Theory and Practice in Foreign Policy* (Washington, D.C.: U.S. Institute of Peace Press, 1993). See also Jentleson, *With Friends Like These: Reagan, Bush and Saddam, 1982-1990* (New York: W.W. Norton, 1994).