

# Who “Won” Libya?

## The Force-Diplomacy Debate and Its Implications for Theory and Policy

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Having promoted global radicalism and regional rejectionism, engaged in terrorism, and pursued weapons of mass destruction (WMD) for years, Libya has shifted away from its “rogue state” policies, most especially by settling the Pan Am 103 Lockerbie terrorism case and by abandoning its programs for the development of nuclear, chemical, and biological weapons.<sup>1</sup> The key policy changes started in 1999, when Libya surrendered two Lockerbie suspects for trial in The Hague, and culminated in 2003 with the settlement of the Lockerbie case that August and particularly Libya’s December 19 announcement that it had agreed to abandon its WMD programs and allow international inspections.

The debate over who deserves credit for these important changes in Libyan policy is a lively one politically and a challenging one analytically.<sup>2</sup> Among the questions that analysts have sought to answer are: To what extent was Libyan leader Muammar Qaddafi intimidated by the George W. Bush administration’s decision to invade Iraq and the broader Bush doctrine of preemptive force? How important was diplomacy, especially the secret talks between Libya and the United States that started late in Bill Clinton’s administration and continued into the Bush administration, with the British playing a significant role? What other factors, including Libya’s internal politics and economy, came into play? And what are the lessons for dealing with other terrorism-supporting, WMD-seeking, and otherwise aggressive states?

Positions in this debate have been sharply staked out. “I hope to never have

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1. On December 21, 1988, Pan Am flight 103 exploded over Lockerbie, Scotland, killing 259 passengers and crew, including 189 Americans, as well as 11 people on the ground. The United States and Britain held Libya responsible for the bombing.

2. Although Libya’s leader, Muammar Qaddafi, continues to engage in periodic outlandish rhetoric and provocative actions—for example, his apparent role in the attempted assassination of Saudi Crown Prince Abdullah in 2003 and persistent human rights violations at home—the combination of the Lockerbie settlement largely on Western terms and full WMD abandonment do amount to significant policy changes. We thus enclose “won” in quotes both to account for the success achieved and to acknowledge that the full extent and definitiveness of Libya’s policy changes are not yet clear.

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to use force," President Bush stated, "but speaking clearly and sending messages that we mean what we say, we've affected the world in a positive way. Look at Libya. Libya was a threat. Libya is now peacefully dismantling its weapons programs. Libya understood that America and others will enforce [the Bush] doctrine." Vice President Dick Cheney cast Libya's concessions on WMD as "one of the great by-products . . . of what we did in Iraq and Afghanistan," stressing that just "five days after we captured Saddam Hussein, Mu'ammur Qaddafi came forward and announced that he was going to surrender all of his nuclear materials to the United States."<sup>3</sup> Others found this timing less significant and gave more credit to diplomacy. These included key Clinton officials such as Assistant Secretary of State Martin Indyk, who led the 1999–2000 secret talks and contended that "Libyan disarmament did not require a war with Iraq"; Bush administration officials such as Deputy Secretary of State Richard Armitage, for whom Hussein's capture "didn't have anything to do" with Libya's concessions; and British Prime Minister Tony Blair, who stressed that "problems of proliferation can, with good will, be tackled through discussion and engagement" and that "countries can abandon programs voluntarily and peacefully."<sup>4</sup> Libyan Prime Minister Shukri Ghanem asserted that his government based its decision on an independent assessment of its national interests, on "a careful study of the country's future in all its domains . . . conforming to the aspirations of the Libyan leadership and people." Qaddafi's son Seif el-Islam el-Qaddafi said that the December 19 agreement was a "win-win deal" for both sides: "[Our] leader believed that if this problem were solved, Libya would emerge from the international isolation and become a negotiator and work with the big powers to change the Arab situation."<sup>5</sup>

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3. Bush made his remarks in the first presidential debate with John Kerry in the fall of 2004; Cheney made his comments in the vice presidential debate with John Edwards. David Ignatius, "A Gaddafi Cover-up," *Washington Post*, October 26, 2004. See also Andrew Gumbel, "Libya Weapons Deal: U.S. Neo-conservatives Jubilant over WMD Agreement," *Independent* (London), December 22, 2003; and Tod Lindberg, "A Policy of Prevention: The Administration's Strategy against WMD Is Working," *Washington Times*, December 30, 2003.

4. Martin S. Indyk, "The Iraq War Did Not Force Gaddafi's Hand," *Financial Times* (London), March 9, 2004; Martin S. Indyk, "Was Kadafi Scared Straight? The Record Says No," *Los Angeles Times*, March 28, 2004; Richard Armitage, "State's Armitage Attributes Positive Developments to Steadfast Policies," interview by Juan Williams, National Public Radio, December 23, 2003, <http://www.npr.org/templates/story/story.php?storyId?1568912>; Flynt Leverett, "Why Libya Gave Up on the Bomb," *New York Times*, January 23, 2004; and Tony Blair, statement on Libya, December 19, 2003, [http://news.bbc.co.uk/1/hi/uk\\_politics/3336073.stm](http://news.bbc.co.uk/1/hi/uk_politics/3336073.stm). See also Joseph Cirincione, "The World Just Got Safer: Give Diplomacy the Credit," *Washington Post*, January 11, 2004.

5. "Libyan Prime Minister Says Weapons Decision Motivated by Economy, Oil," *Al-Hayat*, Decem-

This debate is enormously significant in its own right. For close to thirty years, Libya has been a major concern for the United States, Europe, Africa, the Middle East, and the international community more generally. The Libya case also has significance in two broader respects. First, it bears upon other key policy debates about WMD proliferation and rogue states, particularly as manifested in such pressing cases as Iran and North Korea as well as in the context of continuing debates about U.S. intervention in Iraq.<sup>6</sup> Second, the Libya case is relevant to debates over theories of force and diplomacy, particularly work on coercive diplomacy.<sup>7</sup> Coercive diplomacy can be a "beguiling" strategy, as Alexander George and William Simons warn, seeming easier to do than analysis shows it to be and than it has proven to be.<sup>8</sup> As the strongest case of coer-

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ber 24, 2003, translated and reported by BBC Monitoring; Khaled al-Deeb, "Libya: No Coercion in Weapons Agreement," Associated Press Online, December 20, 2003; "Libyan WMD: Tripoli's Statement in Full," BBC News, December 20, 2003, <http://news.bbc.co.uk/go/pr/fr/-/1/hi/world/africa/3336139.stm>; interview with Seif el-Islam Qaddafi, *Al-Hayat*, March 10, 2004, translated and reported by BBC Monitoring. See also Ronald Bruce St. John, "Libya Is Not Iraq: Preemptive Strikes, WMD, and Diplomacy," *Middle East Journal*, Vol. 58, No. 3 (Summer 2004), pp. 386–402; and Diederik Vandewalle, "The Origins and Parameters of Libya's Recent Actions," *Arab Reform Bulletin*, Carnegie Endowment for International Peace, Vol. 2, No. 3 (March 2004).

6. On nuclear proliferation, see Kurt M. Campbell, Robert J. Einhorn, and Mitchell B. Reiss, eds., *The Nuclear Tipping Point: Why States Reconsider Their Nuclear Choices* (Washington, D.C.: Brookings, 2004); Ariel E. Levite, "Never Say Never Again: Nuclear Reversal Revisited," *International Security*, Vol. 27, No. 3 (Winter 2002/03), pp. 59–88; Etel Solingen, "The Political Economy of Nuclear Restraint," *International Security*, Vol. 19, No. 2 (Fall 1994), pp. 126–169; and T.V. Paul, *Power versus Prudence: Why Nations Forgo Nuclear Weapons* (Montreal: McGill-Queen's University Press, 2000). On "rogue states," a term we use suggestively, conscious of its definitional limits as well as its political intonations, see Robert S. Litwak, *Rogue States and U.S. Foreign Policy: Containment after the Cold War* (Washington, D.C.: Woodrow Wilson International Center Press, 2002), pp. 244–246; Miroslav Nincic, *Analyzing Deviance in World Politics* (New York: Columbia University Press, 2005); and Richard Nelson and Ken Weisrode, *Reversing Relations with Former Adversaries: U.S. Foreign Policy after the Cold War* (Gainesville: University of Florida Press, 1998).

7. See, for example, Gordon A. Craig and Alexander L. George, *Force and Statecraft: Diplomatic Problems of Our Time*, 3d ed. (New York: Oxford University Press, 1995); Thomas C. Schelling, *The Strategy of Conflict* (Cambridge, Mass.: Harvard University Press, 1980); Thomas C. Schelling, *Arms and Influence* (New Haven, Conn.: Yale University Press, 1966); Alexander L. George, David K. Hall, and William E. Simons, *The Limits of Coercive Diplomacy* (Boston: Little, Brown, 1971); Alexander L. George, *Forceful Persuasion: Coercive Diplomacy as an Alternative to War* (Washington, D.C.: United States Institute of Peace, 1991); Alexander L. George and William E. Simons, eds., *The Limits of Coercive Diplomacy*, 2d ed. (Boulder, Colo.: Westview, 1994); Robert J. Art and Patrick M. Cronin, eds., *The United States and Coercive Diplomacy* (Washington, D.C.: United States Institute of Peace, 2003); Lawrence Freedman, ed., *Strategic Coercion: Concepts and Cases* (Oxford: Oxford University Press, 1998); and Daniel Byman and Matthew Waxman, *The Dynamics of Coercion: American Foreign Policy and the Limits of Military Might* (Cambridge: Cambridge University Press, 2002).

8. George and Simons, *The Limits of Coercive Diplomacy*, p. 9. Robert Art and Patrick Cronin, *The United States and Coercive Diplomacy*, p. 387, calculate only a 32 percent aggregate success rate for George's and their case studies. Lawrence Freedman, *Strategic Coercion*, p. 17, states that strategic coercion "is not an easy option."

cive diplomacy success since the 1962 Cuban missile crisis, the Libya case provides useful insights for more general propositions about the scope and limits of this balancing of force and diplomacy that “can help bridge the gap between theory and practice.”<sup>9</sup>

In this article, we analyze three phases of U.S. coercive diplomacy toward Libya: first, the Ronald Reagan presidency, characterized principally by U.S. sanctions and military force (1981–88); second, shifts toward a more multilateral and sanctions-based strategy in the George H.W. Bush and Clinton administrations (1989–98); and third, the secret direct negotiations initiated in the latter years of the Clinton administration and continued in the George W. Bush administration, culminating in the December 19 agreement on WMD (1999–2003). We show how coercive diplomacy failed in the first phase, had mixed results in the second, and succeeded in the third. These differences are principally explained by (1) the extent of “balance” in the coercer state’s strategy combining credible force and deft diplomacy consistent with three criteria—proportionality, reciprocity, and coercive credibility—taking into account international and domestic constraints; and (2) the vulnerability of the target state as shaped by its domestic politics and economy, particularly whether elites and other key political actors play a “circuit breaker” or “transmission belt” role, blocking or carrying forward the external coercive pressure against the regime.

The next section develops this analytic framework in the context of the coercive diplomacy and related force-diplomacy literatures. We then present the Libya case study through its three coercive diplomacy phases. The final section develops the analytic conclusions for the Libya case and draws out implications for both theory and policy.

### *Analytic Framework: Coercive Diplomacy Success and Failure*

Drawing on the literature, we posit two sets of variables, one focusing on coercer state strategy and the other on the target state’s domestic politics and economy. Both are key to coercive diplomacy success or failure.<sup>10</sup>

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9. George and Simons, *The Limits of Coercive Diplomacy*, p. 3. See also Alexander L. George, *Bridging the Gap: Theory and Practice in Foreign Policy* (Washington, D.C.: United States Institute of Peace, 1993); and Bruce W. Jentleson, “The Need for Praxis: Bringing Policy Relevance Back In,” *International Security*, Vol. 26, No. 4 (Spring 2002), pp. 169–183.

10. George and Simons, *The Limits of Coercive Diplomacy*, pp. 270–274, 279–291, identify five contextual variables, nine conditions, and four variants. Art and Cronin, *The United States and Coercive Di-*

## COERCER STRATEGY

In broad terms, a coercer state strategy is most likely to succeed if the costs of noncompliance it can impose on, and the benefits of compliance it can offer to, the target state are greater than the benefits of noncompliance and costs of compliance. Whether a particular coercive diplomacy strategy strikes this balance depends on its meeting three key criteria: proportionality, reciprocity, and coercive credibility.

"Proportionality" refers to the relationship within the coercer's strategy between the scope and nature of the objectives being pursued and the instruments being used in their pursuit. The more the coercer demands of the target, the higher the target's costs of compliance and the greater the need for the coercer's strategy to increase the costs of noncompliance and the benefits of compliance. Yet coercive diplomacy is, by definition, a strategy of limited means. As George explains, coercive diplomacy may, but is not required to, go beyond threats to the actual use of military force; but if force is actually used, it must be limited and fall short of full-scale use or war.<sup>11</sup> Otherwise, as Robert Art points out, coercive diplomacy has failed, even if the coercer has achieved its objectives: "In this case, war, not coercive diplomacy, produced the change."<sup>12</sup> Coercive diplomacy thus is well short of what Thomas Schelling calls the "take what you want" strategy of brute force.<sup>13</sup> These inherently limited means require that the objectives also be limited so that there is proportionality between ends and means. The main source of disproportionality is an objective that goes beyond policy change to regime change. It is hard enough to coerce alterations in the target's policy, either as what George and Simons call "type A" coercive diplomacy of convincing an opponent "to stop short of the goal," or "type B" coercive diplomacy of getting an opponent "to undo the action." It is even more difficult with "type C" objectives, aimed at "cessation of the opponent's hostile behavior through a demand for change in the composition of the adversary's government or in the nature of the regime"—that is, regime change as distinct from policy change.<sup>14</sup> Although we do not go so far

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*plomacy*, build on George and Simons's framework, using some of their variables but not others, adding three factors of their own, and providing additional reasons why coercive diplomacy is inherently difficult.

11. Alexander L. George, "Coercive Diplomacy: Definition and Characteristics," in George and Simons, *The Limits of Coercive Diplomacy*, p. 10.

12. Robert J. Art, "Introduction," in Art and Cronin, *The United States and Coercive Diplomacy*, p. 10.

13. Schelling, *Arms and Influence*, p. 2.

14. George, "Coercive Diplomacy," p. 8; and Bruce W. Jentleson, "The Reagan Administration versus Nicaragua: The Limits of 'Type C' Coercive Diplomacy," in George and Simons, *The Limits of*

as to posit a strict linear relationship between more limited objectives and more likely success, we do consider the line between policy change and regime change to be a crucial proportionality threshold.<sup>15</sup>

“Reciprocity” involves an explicit, or at least mutually tacit, understanding of linkage between the coercer’s carrots and the target’s concessions.<sup>16</sup> This linkage may be explicitly incremental, as in George’s conception of conditional reciprocity and Robert Axelrod’s tit-for-tat strategy.<sup>17</sup> It does not have to be, though, so long as the target does not think it can achieve the benefits without having to reciprocate. On the other hand, if the target is unsure if the coercer state will reciprocate, it may question whether the costs of its concessions are worth the return. The balance lies in neither offering too little too late or for too much in return, nor offering too much too soon or for too little in return.

“Coercive credibility” requires that, in addition to calculations about costs and benefits of cooperation, the coercer state convincingly conveys to the target state that noncooperation has consequences. The combination of the intimidation that results from coercive credibility and the reassurance cultivated through reciprocity creates a complementarity that can make for a forced-diplomacy balance lacking in either alone. Threats, actual uses of force, and other coercive instruments (e.g., economic sanctions) must be sufficiently credible to raise the target’s perceived costs of noncompliance. A superior military force or economic position, however, is not enough. The United States is the

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*Coercive Diplomacy*, pp. 175–200. Art and Cronin, *The United States and Coercive Diplomacy*, question whether regime change is a more difficult objective, but they do so largely using an analysis of the 1991–94 Haiti case study, which mistakenly attributes the success to coercive diplomacy when instead it required deployment of a full-scale U.S. military intervention force.

15. The economic sanctions literature shows a similar pattern, with domestic political change being a more difficult objective than foreign policy change. See Gary Clyde Hufbauer, Jeffrey J. Schott, and Kimberly Ann Elliott, *Economic Sanctions Reconsidered: History and Current Policy* (Washington, D.C.: Institute for International Economics, 1990); David A. Baldwin, *Economic Statecraft* (Princeton, N.J.: Princeton University Press, 1985); Meghan L. O’Sullivan, *Shrewd Sanctions: Statecraft and State Sponsors of Terrorism* (Washington, D.C.: Brookings, 2003); Bruce W. Jentleson, “Economic Sanctions and Post-Cold War Conflicts: Challenges for Theory and Policy,” in Paul C. Stern and Daniel Druckman, eds., *International Conflict Resolution after the Cold War* (Washington, D.C.: National Academy Press, 2000); and Robert A. Pape, “Why Economic Sanctions Do Not Work,” *International Security*, Vol. 22, No. 2 (Fall 1997), pp. 90–136.

16. Art and Cronin, *The United States and Coercive Diplomacy*, pp. 388–389, give particular emphasis to the utility of positive inducements. See also Euclid A. Rose, “From a Punitive to a Bargaining Model of Sanctions: Lessons from Iraq,” *International Studies Quarterly*, Vol. 49, No. 3 (September 2005), pp. 459–479, who proposes a “bargaining model” of compliance in which reciprocity plays a central role.

17. George, *Bridging the Gap*, pp. 50–57; and Robert Axelrod, *The Evolution of Cooperation* (New York: Basic Books, 1984).

coercing state in all of the cases examined by Robert Art and Patrick Cronin, as well as those in George and Simons’s case studies (in some cases unilaterally, in others as a coalition leader, but always in a principal role), all against targets less militarily powerful; yet U.S. coercive diplomacy in these cases failed more often than it succeeded.<sup>18</sup>

All three elements of a balanced coercive diplomacy strategy are more likely to be achieved if other major international actors are supportive and if opposition within the coercing state’s domestic politics is limited. Thus, not only substantive strategy but also the domestic and international contexts are important. In the case that we examine here, the key international actors were Western Europe, both for its diplomatic weight and economic capacity as a potential alternative trade partner for Libya; the United Nations; and regional actors such as Saudi Arabia and South Africa. On the domestic side, a new type of actor—terrorism victims’ families, in this case families of the Pan Am 103 Lockerbie bombing victims—acted as the major domestic constraint on U.S. policy. Victims’ families, be they the Lockerbie families or the families of victims of the terrorist attacks of September 11, 2001, do not fall neatly into the usual typology of economic, ethnic, and ideological pressure groups. Yet given the post-September 11 threats to personal and national security, their influence is likely to continue as part of U.S. foreign policy politics.

#### TARGET POLITICS AND ECONOMY

The second set of variables involves domestic political and economic conditions within the target state affecting its vulnerability to coercive diplomacy. Relational factors, such as asymmetry of motivation stressed in other coercive diplomacy studies, offer some sense of the target as not just an object to be acted upon, and of coercive diplomacy success or failure as not just a function of the relative distribution of power. But they still leave questions about the sources of motivational asymmetry and the target’s ability to compensate for unfavorable power balances. This requires more direct analytic emphasis on political and economic forces within the target state and how they influence its assessment of the costs and benefits of compliance versus noncompliance.

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18. In the words of Art and Cronin, *The United States and Coercive Diplomacy*, p. 402, “The possession of military superiority over the target does not guarantee success of coercive diplomacy.” See also Elaine M. Hoboloff, “Bad Boy or Good Business? Russia’s Use of Oil as a Mechanism of Coercive Diplomacy,” in Freedman, *Strategic Coercion*, pp. 179–211.

Although regime type is a factor, it does not determine either how or how much a target state can counter coercive diplomacy. The Art-Cronin and George-Simons case studies almost all involve nondemocratic target states, yet they show successes as well as failures, including a mixed record within the six 1990s cases involving the same nondemocratic regime: Saddam Hussein's Iraq.<sup>19</sup>

Our analysis of target domestic politics and economics starts with the generic proposition of regime self-perpetuation. Leaders want to stay in power, whether for the allotted terms as in democracies or on the more open-ended basis possible in nondemocracies. Qaddafi's preferred strategy for remaining in power has been repressive rule at home and confrontational rhetoric, if not action, abroad. Whether his self-perpetuation could be sustained in the face of coercive diplomacy has depended on three interrelated domestic factors. The first factor is whether internal political support and regime security are served by defiance or if there are domestic political gains to be made from improving relations with the coercing state. Even when costs are to be borne, an external threat often can enhance the domestic legitimacy of the target regime, providing a rationale for domestic repression or resulting in what Johan Galtung refers to as a "politically integrative effect."<sup>20</sup> Alternatively, invocation of this threat may have faded in potency; perhaps some shared interests may even have emerged, as for example against common superseding enemies. More generally, domestic political costs produced by coercive instruments may have less influence on the target's leadership if political support for the regime is strong, whereas the same instruments and political costs are likely to have more influence when there is less regime support.

The second factor is an economic calculation of the costs that military force, sanctions, and other coercive instruments can impose and the benefits that trade and other economic incentives may carry. This in part is a function of the

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19. Art and Cronin, *The United States and Coercive Diplomacy*, assess six distinct cases of U.S. coercive diplomacy against Iraq in the 1990s: three as failures (1990–91, to coerce withdrawal from Kuwait in the 1991 Persian Gulf War; 1996, to end attacks against Kurds in northern Iraq; and 1998, to strengthen the UN WMD inspections); two as mixed (1991, to establish safe havens for the Kurds and Shiites, and 1992–93, to establish no-fly zones to facilitate access for UN WMD inspectors); and one as a success (1994 to deter the apparent planned reinvasion of Kuwait).

20. This dynamic was stressed by Johan Galtung in his classic formulation assailing "naïve theories of economic warfare" that "do not take into account the possibility that value deprivation may initially lead to political integration and only later—perhaps much later, or even never—to political disintegration." Galtung, "On the Effects of International Economic Sanctions: With Examples from the Case of Rhodesia," *World Politics*, Vol. 19, No. 3 (April 1967), p. 407.



strength and flexibility of the target state’s domestic economy and its capacity to absorb or counter the costs being imposed through ample budget resources, import substitution, alternative trade partners, and other ways of reducing economic vulnerability. However, even if such costs are neutralized, there may still be significant opportunity costs of trade and investment forgone.

The third factor is the role of elites and other key domestic political and societal actors. Even dictatorships usually cannot fully insulate themselves from elites within their own governments and societies. To the extent that elite interests are threatened by compliance with the coercing state’s demands, they will act as “circuit breakers” by blocking the external pressures on the regime. To the extent that their interests are better served by the policy concessions being demanded, they will become “transmission belts,” carrying forward the coercive pressure on the regime to comply.<sup>21</sup>

These are factors that can change over time and interact with other internal factors that may be strengthening or weakening the regime in their own right. Other international factors such as global markets (e.g., oil markets) and geopolitics can also play a role. We take these into account while keeping the analytic focus on the three sets of intratarget state factors identified above.

In sum, we seek to assess how soundly the coercer’s strategy combines credible force and deft diplomacy consistent with the proportionality, reciprocity, and coercive credibility criteria, as well as key factors within the target’s domestic politics and economy that affect whether the regime leadership’s self-perpetuation is better served by cooperation or confrontation.

### *The Libya Case: Three Phases of U.S Coercive Diplomacy*

Although the term “rogue state” did not come into common usage until the 1990s, it aptly describes Libya’s foreign policy—particularly its pursuit of weapons of mass destruction and its involvement in terrorism—for most of the

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21. The “transmission belts” construct is from Jentleson, “Economic Sanctions and Post-Cold War Conflicts,” pp. 135–136: “The key element is not just the formal domestic political structure but . . . the permeability of the regime as indicated by the degree of independent activity of domestic actors that can act as ‘transmission belts,’ carrying the economic impact of the sanctions into the target’s core political structures.” Jonathan Kirshner offers a similar formulation stressing the importance of identifying not only central government actors, but also “the core groups whose political support allows the regime to remain in power.” Kirshner, “Microfoundations of Economic Sanctions,” *Security Studies*, Vol. 6, No. 3 (Spring 1997), pp. 42, 45. The complementary construct of “circuit breakers” originates with this article.

period following the 1969 coup against the pro-U.S. King Idris that brought Qaddafi to power.<sup>22</sup> Even though Libya had signed the Nuclear Nonproliferation Treaty (NPT) shortly before the coup and Qaddafi's government ratified it five years later, within his first year in power the new Libyan leader was seeking a nuclear capability. He first tried to acquire nuclear weapons directly from China but was rebuffed. Then in 1977 he approached Pakistan and in 1979 India, but with the same result. Libyan efforts then turned to developing an indigenous nuclear weapons program with key equipment and technology coming from the Soviet Union, including a 10-megawatt research reactor built in Tajura and imports of more than 2,000 tons of "yellowcake" uranium ore concentrate for a uranium enrichment program that it pursued clandestinely over the next twenty years.<sup>23</sup> Libya also pursued a chemical weapons (CW) capability and, despite having joined the Biological Weapons Convention in 1982, engaged in limited research and development of a biological weapons (BW) capability.<sup>24</sup>

A 1976 CIA report cited Libya as "one of the world's least inhibited practitioners of international terrorism."<sup>25</sup> The United States linked Qaddafi's regime to such major perpetrations as the 1972 Munich Olympics killing of Israeli athletes, the 1973 assassination of the U.S. ambassador to Sudan, and the 1975 raid of a meeting of the Organization of Petroleum Exporting Countries (OPEC) in Vienna, led by the international terrorist known as Carlos the Jackal. Libya also was accused of providing financial, technical, and logistical support to the Palestinian Liberation Organization, the Irish Republican Army (IRA), the Japanese Red Army, and others. Qaddafi saw himself both as the carrier of the

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22. For historical overviews, see Dirk Vandewalle, *Libya since Independence: Oil and State-Building* (Ithaca, N.Y.: Cornell University Press, 1998); and Lisa Anderson, *The State and Social Transformation in Tunisia and Libya, 1830–1980* (Princeton, N.J.: Princeton University Press, 1986).

23. Joseph Cirincione, *Deadly Arsenals: Tracking Weapons of Mass Destruction* (Washington, D.C.: Carnegie Endowment for International Peace, 2002), p. 307; and "Implementation of the NPT Safeguards Agreement of the Socialist People's Libyan Arab Jamahiriya," IAEA director general report to the board of governors, February 20, 2004, [http://www.iaea.org/Publications/Board/2004/gov2004-11\\_derestrict.pdf](http://www.iaea.org/Publications/Board/2004/gov2004-11_derestrict.pdf), p. 3.

24. Cirincione, *Deadly Arsenals*, pp. 307–308; Joshua Sinai, "Libya's Pursuit of Weapons of Mass Destruction," *Nonproliferation Review*, Vol. 4, No. 3 (Spring–Summer 1997), pp. 93–96; and Anjali Bhattacharjee and Sammy Salama, "Libya and Nonproliferation" (Monterey, Calif.: Center for Nonproliferation Studies, Monterey Institute of International Studies, December 24, 2003), <http://cns.miis.edu/pubs/week/031223.htm>.

25. "International and Transnational Terrorism: Diagnosis and Prognosis," Central Intelligence Agency research study, April 1976, <http://www.mipt.org/pdf/1976PoGT-Research-Study.pdf>, p. 20.

pan-Arab mantle of his hero, Egyptian leader Gamal Abdel Nasser, and as a world revolutionary leader. "Convinced . . . of the inherent iniquity of the international order," Qaddafi believed that "as a vanguard revolutionary state, Libya should help liberate the rest of the Third World and reshape its political institutions."<sup>26</sup> He led the Arab rejectionist front against the 1979 Camp David accords, and his activism also extended into North Africa. In the words of one commentator, Libya "has at one time or other backed subversive groups in almost every other North African country."<sup>27</sup>

These actions were underwritten by Libya's growing oil revenues in the 1970s. The Libyan economy grew more than 10 percent annually from 1975 to 1979, and the 1979–80 surge in oil prices yielded a \$15 billion trade surplus. Domestically, oil revenues provided "just enough income to permit Qaddafi to deter opposition, both by buying acquiescence through his generous distribution policies and by financing repression." Indeed, "by the late 1970s virtually no Libyan wanted for housing, medical care or transportation, and 'the abolition of need' [called for in Qaddafi's *Green Book*] was proceeding apace."<sup>28</sup>

#### PHASE ONE: U.S. SANCTIONS AND MILITARY FORCE, 1981–88

The first diplomatic rupture between Libya and the United States occurred soon after Qaddafi's rise to power. By 1973 the United States had recalled its ambassador from Tripoli, and the Nixon administration had placed restrictions on arms sales to Libya. During Jimmy Carter's administration, the United States imposed partial economic sanctions on Libya after designating it a state sponsor of terrorism. In February 1980 President Carter closed the U.S. embassy in Tripoli.

Throughout most of the 1980s, Libya aggressively pursued a WMD capability. It sought the materials and technology needed to establish a nuclear weapons program, including gas centrifuge technology, a modular uranium conversion facility, and two mass spectrometers to support centrifuge develop-

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26. Ray Takeyh, "The Rogue Who Came In from the Cold," *Foreign Affairs*, Vol. 80, No. 3 (May/June 2001), p. 63.

27. Edward Schumacher, "The United States and Libya," *Foreign Affairs*, Vol. 65, No. 2 (Winter 1986/87), p. 332; and John W. Harbeson and Donald Rothchild, eds., *Africa in World Politics: The African State System in Flux* (Boulder, Colo.: Westview, 2000).

28. Lisa Anderson, "Muammar al-Qaddafi: The 'King' of Libya," *Journal of International Affairs*, Vol. 54, No. 2 (Spring 2001), p. 516; and Lisa Anderson, "Qadhafi's Legacy: An Evaluation of a Political Experiment," in Dirk Vandewalle, ed., *Qaddafi's Libya, 1969–1994* (New York: St. Martin's, 1995), p. 225. The *Green Book* is Qaddafi's equivalent of Mao's *Little Red Book*.

ment. It engaged in small-scale uranium conversion experiments.<sup>29</sup> Particular progress was made on the development of chemical weapons, including the completion of the Rabta plant in 1988, which in two years produced 100 metric tons of blister agents and nerve gas. There also were reports that Libya used chemical weapons against Chad in 1987.<sup>30</sup>

During the same period, Libya was involved in numerous terrorist attacks, including the 1985 seizure of the *Achille Lauro* cruise ship, during which an elderly wheelchair-bound American was pushed overboard, as well as the Rome and Vienna airport attacks in December 1985. On April 17, 1984, during a small anti-Qaddafi protest by Libyan dissidents, gun shots fired from the Libyan diplomatic mission in London wounded ten people and killed British police officer Yvonne Fletcher, who was among the officers called to monitor the protest. Intelligence intercepts uncovered Libya's role in the bombing of the La Belle discotheque in Berlin on April 5, 1986, which killed three people (including two U.S. soldiers) and injured more than two hundred others (including more than seventy Americans).

U.S. policy toward Libya during this period involved a combination of diplomatic, economic, and military coercion. In 1982 the Reagan administration imposed an embargo on crude oil imports from Libya, and in 1985 the ban was extended to refined petroleum products. U.S. policy also included numerous show-of-force skirmishes in the Gulf of Sidra, culminating in the extensive bombings against terrorist camps, military facilities, and Qaddafi's family compound on April 15, 1986, in retaliation for the Berlin discotheque terrorist attack. Qaddafi could not be directly targeted because of U.S. laws prohibiting assassination of foreign leaders, but it would not have been happenstance had he been killed. Although the principal declared U.S. objective was policy change in Tripoli, the underlying one was regime change. Even before the U.S. bombing, reports had begun to circulate of covert operations to remove Qaddafi from power. A June 1984 CIA assessment concluded that "no course

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29. Yana Feldman and Charles Mahaffey, "Country Profile 6: Libya" (Stockholm: Stockholm International Peace Research Institute, October 2, 2002), <http://projects.sipri.se/nuclear/cnsc11ya.htm>; "Implementation of the NPT Safeguards Agreement of the Socialist People's Libyan Arab Jamahiriya," IAEA director general report to the board of governors, May 28, 2004; Nuclear Threat Initiative (NTI), "Libya Profile," April 2005, [http://www.nti.org/e\\_research/profiles/Libya/index.html](http://www.nti.org/e_research/profiles/Libya/index.html); and Sinai, "Libya's Pursuit of Weapons of Mass Destruction."

30. Sinai, "Libya's Pursuit of Weapons of Mass Destruction," p. 92; Bhattacharjee and Salama, "Libya and Nonproliferation"; Clyde R. Mark, "Libya," Congressional Research Service Issue Brief for Congress, updated August 22, 2003, p. 4; and Cirincione, *Deadly Arsenal*, p. 308.

of action short of stimulating Qaddafi's fall will bring any significant and enduring change in Libyan policies."<sup>31</sup> In one instance, William Casey, the director of the CIA, was reported to be "increasingly aware that the President wanted a regime change, nothing less."<sup>32</sup>

Qaddafi reportedly was wounded in the April 1986 bombings, and for a time thereafter appeared extremely disoriented. One of his children was said to have been killed. But for all their damage and disruption, the bombings did not appear to have had a significant coercive impact on Qaddafi. Instead, he retaliated with numerous terrorist attacks.<sup>33</sup> According to the U.S. State Department's reports on patterns of global terrorism, in both 1987 and 1988 Libya was the third most active state sponsor of terrorism. On December 21, 1988, Pam Am flight 103 exploded over Lockerbie, Scotland, killing 259 passengers and crew, including 189 Americans (many of whom were college students returning home from study abroad for the holidays) and 11 people on the ground. This was followed on September 19, 1989, with the bombing of the French airline UTA flight 772 in midair over Niger, killing 171 passengers and crew.

The United States had used military, economic, and diplomatic instruments against Libya, but Libya's pursuit of WMD and support of terrorism continued largely unabated.<sup>34</sup> Using our analytic framework, we highlight the reasons for the failure of U.S. coercive diplomacy in this first phase of the Libya case.

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31. Tim Zimmerman, "Coercive Diplomacy and Libya," in George and Simons, *The Limits of Coercive Diplomacy*, p. 203.

32. Bob Woodward, *Veil: The Secret Wars of the CIA, 1981–1987* (New York: Simon and Schuster, 1987), p. 444; see also pp. 363–367, 417–420, 433–436, 442–449.

33. As one analyst notes, "Despite the impression imprinted on public memory that Qaddafi was deterred by the United States' display of strength in Tripoli, the Libyan leader actually responded to the U.S. attack with a murderous campaign of terrorist attacks through the Abu Nidal Organization and the Japanese Red Army. Serving as proxy organizations for Libya, these groups attacked American and British targets in Pakistan, Italy, India, Sudan, and Indonesia." Yoram Schweitzer, "Neutralizing Terrorism-Sponsoring States: The Libyan 'Model,'" *Strategic Assessment* (Tel Aviv), Vol. 7, No. 1, May 2004, <http://www.tau.ac.il/jcss/sa/v7n1p3Sch.html>.

34. In his memoirs, George P. Shultz, secretary of state under Ronald Reagan, held that the administration's strategy had worked: "Qaddafi, after twitching feverishly with a flurry of vengeful responses, quieted down and retreated into the desert." Shultz, *Turmoil and Triumph: My Years as Secretary of State* (New York: Scribner, 1993), p. 687. A 1997 U.S. Department of Defense report, though, took a much less positive view: "The popular belief for years was that this U.S. attack suppressed Libyan activity in support of terrorism. However, an examination of events in subsequent years paints a different picture. Instead, Libya continued, through transnational actors, to wage a revenge campaign for a number of years." Department of Defense, Defense Science Board 1997 Summer Study Task Force, *DoD Responses to Transnational Threats*, Vol. 1: *Final Report* (October

PHASE ONE: COERCER STRATEGY. The Reagan strategy toward Libya was imbalanced. The expansiveness of the ends was highly disproportional to the limited means. Policy change was the pronounced objective, but regime change the underlying one, as indicated by the targeting strategy in the April 1986 bombing and various covert operations aimed at destabilizing his regime. Yet international and domestic constraints limited the means available to achieve the Reagan administration's desired ends. The United States' European allies provided limited support for sanctions, especially for the use of military force. Moreover, the 1986 Iran-Contra scandal and revelations about domestic disinformation campaigns that were part of U.S. efforts to oust Qaddafi undermined public support for the administration's aggressive policy toward his country.<sup>35</sup>

Nor was there any real basis for reciprocity on either side. The Reagan administration's goal was to remove the Libyan dictator from power, while Qaddafi was determined to maintain his hold on power and continue his pursuit of WMD and use of international terrorism as an instrument of foreign policy. The one element the Reagan strategy did have was coercive credibility, and as such it demonstrated the limited efficacy of an approach that places too much emphasis on coercion and not enough on diplomacy.

PHASE ONE: TARGET POLITICS AND ECONOMY. Libya's domestic political and economic situation helped Qaddafi resist U.S. coercive pressure. The 1986 air strikes, which were calculated to precipitate a coup, instead strengthened "[the Libyan leader] vis-à-vis his rivals inside the government," effectively "ruin[ing] any remaining chances of a military revolt."<sup>36</sup> The bombing "even added temporarily to Qaddafi's domestic support by his skillful manipulation of Libyan traditional distrust of outside interference," an example of the type of politically integrative effect discussed by Galtung.<sup>37</sup>

Libya's revolutionary committees, which in the 1980s reached their peak both domestically and in Libyan foreign policy, also were a countering factor. Created by Qaddafi "to correct the lack of mobilization among the Libyan population" behind his revolutionary goals, they evolved into a powerful instru-

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1997), <http://www.acq.osd.mil/dsb/reports/trans.pdf>, p. 15. See also St. John, "Libya Is Not Iraq," p. 387.

35. See, for example, Bob Woodward, "Qaddafi Target of Secret U.S. Deception Plan; Elaborate Campaign Included Disinformation That Appeared as Fact in American Media" *Washington Post*, October 2, 1986; and Woodward, *Veil*, pp. 476-477.

36. Schumacher, "The United States and Libya," p. 336.

37. Vandewalle, *Libya since Independence*, p. 123; Takeyh, "The Rogue Who Came In from the Cold," p. 64; and Galtung, "On the Effects of International Economic Sanctions," p. 407.

ment for correcting "political deviation" and forcibly quelling political opposition. They also projected Libya's domestic revolution into the international sphere. As Tim Niblock notes, the revolutionary committees "provid[ed] support for various organizations committed to radical and often violent change in other countries."<sup>38</sup> They thus short-circuited U.S. coercive efforts not only by controlling domestic opposition, but also by institutionalizing the same radical foreign policies that the Reagan administration was seeking to change.

Finally, even though the Libyan economy was beginning to experience an economic downturn, it was able to maintain its oil production at OPEC quota levels, despite U.S. sanctions, with shifts in exports to other trade partners to compensate for the U.S. ban; for example, Italy's share of Libyan oil imports increased from 19 percent in 1980 to 33 percent in 1987. Although economic conditions reportedly caused some domestic unrest, Qaddafi largely contained it through a mix of internal mobilization and repression.<sup>39</sup>

PHASE TWO: MULTILATERAL AND SANCTIONS BASED, 1989–98

Libya's pursuit of WMD intensified in the 1990s. According to later International Atomic Energy Agency (IAEA) interviews with Libyan authorities, "In July 1995, Libya made a strategic decision to reinvigorate its nuclear activities." One part of this strategy was "to exploit the chaos generated by the collapse of the Soviet Union to gain access to former Soviet nuclear technology, expertise and materials." Another was to work with A.Q. Khan, the leader of Pakistan's nuclear weapons program and master black-market WMD entrepreneur, whose network provided Libya with 20 complete L-1 gas centrifuges and most of the components for an additional 200 centrifuges.<sup>40</sup> In addition, by 1990 the Rabta plant was mass producing CW agents. Although production at

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38. Tim Niblock, "The Foreign Policy of Libya," in Raymond Hinnebusch and Anoushiravan Ehteshami, eds., *The Foreign Policies of Middle East States* (Boulder, Colo.: Lynne Rienner, 2002), p. 221.

39. O'Sullivan, *Shrewd Sanctions*, pp. 188–190; and Vandewalle, *Libya since Independence*, pp. 147–148.

40. "Implementation of the NPT Safeguards Agreement of the Socialist People's Libyan Arab Jamahiriya," February 20, 2004; "Implementation of the NPT Safeguards Agreement of the Socialist People's Libyan Arab Jamahiriya," May 28, 2004; NTI, "Libya Profile"; and Cirincione, *Deadly Arsenals*, p. 307. As Chaim Braun and Christopher F. Chyba argue, "The support effort for the Libyan nuclear program was likely the most ambitious and elaborate activity undertaken by Khan's network. The Libyan purchases alone are estimated to have netted the network about \$100 million." Braun and Chyba, "Proliferation Rings: New Challenges to the Nuclear Nonproliferation Regime," *International Security*, Vol. 29, No. 2 (Fall 2004), p. 16.

that plant was suspended later the same year, Libya's CW program continued. In October 1991 Libya was reportedly receiving chemical weapons materials from employees of a German company, and in 1992, it completed a second CW plant in Sebha.<sup>41</sup> A few years later, reports surfaced that a large underground facility near Tarhuna was nearly operational. When the Chemical Weapons Convention entered into force in April 1997, Libya was not one of its signatories. Other reports suggested that by the mid-1990s Libya had a biological weapons program in the early research and development stages and that Qaddafi was attempting to recruit South African scientists for assistance.<sup>42</sup>

Other issues did show some partial but significant shifts in Libyan policy. While the State Department kept Libya on its list of state sponsors of terrorism, charging it with continued support of various Palestinian terrorist groups, it also acknowledged that Libyan terrorism had decreased substantially.<sup>43</sup> On the Pan Am 103 case, Libya rejected U.S. and British demands that the two Libyans suspected of having planted the bomb on the plane be delivered to the United States or Scotland for trial. In March 1992, however, Qaddafi proposed a compromise whereby they would be tried in a neutral country. Although the United States and Britain did not immediately accept the proposal, it did prove to be part of the basis for the agreements reached starting in 1998 that ultimately settled the case.

Regionally Qaddafi pursued more cooperation and engaged in less subversion, reconciling with Egypt, joining the Arab Maghreb Union, concluding integration pacts with Sudan, and signing a peace agreement with Chad. His rhetoric toward the United States was still marked by anti-American diatribes, but he stayed noticeably neutral during the 1990–91 Persian Gulf War. He even opened back-channel negotiations twice in early 1992 with two former high-

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41. Cirincione, *Deadly Arsenals*, p. 308; and Sinai, "Libya's Pursuit of Weapons of Mass Destruction," p. 94.

42. Central Intelligence Agency, "Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, January 1 through June 30, 2000," [http://www.cia.gov/cia/reports/721\\_reports/jan\\_jun2000.htm](http://www.cia.gov/cia/reports/721_reports/jan_jun2000.htm); and Cirincione, *Deadly Arsenals*, p. 308. According to more recent intelligence, although Libya intended to develop an offensive biological weapons program, Qaddafi ordered it terminated prior to 1993, deeming it too dangerous. Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction, "Report to the President of the United States," March 31, 2005, p. 255, [http://www.wmd.gov/report/wmd\\_report.pdf](http://www.wmd.gov/report/wmd_report.pdf).

43. See, for example, U.S. Department of State, "Patterns of Global Terrorism, 1996," <http://www.state.gov/www/global/terrorism/1996Report/overview.html>; Stephen D. Collins, "Dissuading State Support of Terrorism: Strikes or Sanctions?" *Studies in Conflict and Terrorism*, Vol. 27, No. 1 (January 2004), pp. 4–9; and U.S. Department of State, Bureau of Near Eastern Affairs, "Background Note: Libya," November 2004, <http://www.state.gov/r/pa/ei/bgn/5425.htm>.



ranking U.S. government officials: William Rogers, undersecretary of state for economic affairs in Gerald Ford's administration, and former Senator Gary Hart.<sup>44</sup>

As with the lack of policy change in the first phase, the reasons for Libya's policy shifts, as well as for the limited progress on WMD and the Pan Am case in this second phase, are explained within our analytic framework.

PHASE TWO: COERCER STRATEGY. A key shift in U.S. policy under Presidents George H.W. Bush and Bill Clinton was the development of a more balanced coercive diplomacy strategy with regard to proportionality and coercive credibility.

Concerning proportionality, the U.S. objective shifted from regime change to the more limited ends of policy change. Although Bush initially continued the Reagan administration's covert efforts to overthrow Qaddafi, by early 1991 he had suspended the operation, acknowledging that the Libyan ruler may have managed to turn it into a propaganda victory. When in November 1991 the United States and Britain formally indicted two Libyan intelligence agents in connection with the Pan Am 103 bombing, they made a set of five demands regarding Libya's policy on the bombing and terrorism in general which, though stiff, did not challenge the Qaddafi regime's continued survival.<sup>45</sup>

Coercive credibility came from two main sources. The first was the threat of force against Libyan WMD development. Concerned that the Bush administration might attack the Rabta chemical weapons facility, Qaddafi claimed that a fire had destroyed the plant. The fire turned out to be a hoax, but production at the plant was suspended.<sup>46</sup> Similarly, the threat in 1996 by Clinton's defense secretary, William Perry, that the Tarhuna plant would "not be allowed to begin production" and that the United States would use "the whole range of

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44. Barbara Slavin, "Libya's Rehabilitation in Works since Early '90s," *USA Today*, April 27, 2004; and Gary Hart, "My Secret Talks with Libya, and Why They Went Nowhere," *Washington Post*, January 18, 2004.

45. The Lockerbie demands were that Libya had to (1) surrender for trial the suspects charged with the bombing; (2) accept responsibility for the actions of Libyan officials involved in the bombing; (3) disclose all it knew of the bombing and allow full access to witnesses and evidence; (4) pay appropriate compensation; and (5) commit itself to cease all forms of terrorist action and all assistance to terrorist groups and promptly, by concrete actions, prove its renunciation of terrorism. White House Office of the Press Secretary, "Statement Announcing Joint Declarations on the Libyan Indictments," November 27, 1991, <http://bushlibrary.tamu.edu/research/papers/1991/91112702.html>.

46. The United States received diplomatic support from Italy, with one Italian official saying that the Rabta fire was "a self-provoked accident to ward off the threat of another American attack." Sinai, "Libya's Pursuit of Weapons of Mass Destruction," p. 94.

American weapons" led Libya to halt construction.<sup>47</sup> In both instances, the threat of force defused potential crises, although in neither instance did it result in the cessation of Libyan CW programs or slowdown of the nuclear weapons program.

The second source of coercive credibility was the multilateralization of sanctions. In January 1992 the UN Security Council adopted resolution 731 condemning the Pan Am and UTA bombings and urging Libya to fully and effectively respond to the French, British, and U.S. demands. Three months later, when Libya failed to comply with resolution 731, the Security Council passed resolution 748, imposing the first set of multilateral sanctions against the country.<sup>48</sup> This marked "the first time in the history of the international struggle against modern terrorism" that a broad multilateral coalition had "succeeded in imposing and enforcing effective sanctions against a terrorism-sponsoring state under the auspices of the United Nations Security Council."<sup>49</sup> At the urging of the Clinton administration, the Security Council tightened sanctions further in November 1993 with resolution 883.<sup>50</sup>

Three main reasons explain this shift from the limited multilateral cooperation that had been a constraint on U.S. coercive diplomacy in phase one to the greater multilateral cooperation in phase two. First, the United States and its allies had common interests. The victims of the Pan Am and UTA bombings included not only American but also British and French nationals. Second, the central policy objective no longer was regime change, a position that Europeans before and since have been much less willing to embrace. The third reason was the superior strength of U.S. leadership in the early 1990s based both on the prestige garnered from the end of the Cold War and the Persian Gulf War—if there were ever a unipolar moment, this was it—and the pro-UN orientation of both the Bush and Clinton administrations.

Two factors, however, still impeded U.S. strategy. First, it continued to lack

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47. Lawrence Freedman, *Deterrence* (Cambridge: Polity, 2004), p. 93; and United Press International, "Libya Halts Chemical Arms Plant," March 19, 1997, <http://www.brook.edu/fp/projects/nucwcost/tarhunah.htm>.

48. The sanctions banned flights to and from Libya; the supply of aircraft or aircraft components; the maintenance or insurance of Libyan aircraft; and the sale of arms and related material and parts to Libya, as well as related technical support. In addition, the resolution called for the withdrawal of foreign military advisers and a reduction of diplomatic staff in Libya.

49. Schweitzer, "Neutralizing Terrorism-Sponsoring States," p. 10.

50. The resolution required member states to freeze Libyan foreign funds and barred them from providing Libya with certain oil and gas equipment and technology.

reciprocity. Despite indications that Libya may have been open to negotiations, the United States still was not ready to deal with Qaddafi. Libyan back-channel overtures in early 1992, first to Undersecretary of State Rogers and then to former Senator Hart, appeared to show flexibility on both the Lockerbie and WMD issues. But both Rogers and Hart reported little receptivity in Washington for pursuing the overtures.<sup>51</sup> Second, the families of the victims of the Pan Am 103 bombing were exerting formidable political pressure, constraining any compromise on their case and on giving priority to any other issues on the agenda with Libya.<sup>52</sup> With so many of the victims having been college students, the tragedy was especially poignant, one to which many Americans could relate. Media coverage was widespread, up close, and personal. Numerous congressional committees held hearings. Anti-Libya resolutions and bills had bipartisan sponsorship and passed with overwhelming support. One of these, the 1996 Iran and Libya Sanctions Act (ILSA), provided for sanctions on European firms that violated U.S. restrictions on business with Libya, and so angered the Europeans as to diminish the multilateral support that had been so important to the limited gains that had been made with Libya.<sup>53</sup>

PHASE TWO: TARGET POLITICS AND ECONOMY. Libyan internal political and economic conditions had changed in ways that led to less short-circuiting and greater transmission of U.S. coercive pressure. The economic problems that began in the 1980s grew worse in the early 1990s. Libya's gross domestic product dropped 30 percent in 1993 compared to the previous year, and growth averaged less than 1 percent annually from 1992 to 1998. Unemployment reached 30 percent. Inflation was out of control, going as high as 50 percent in 1994,

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51. Slavin, "Libya's Rehabilitation in Works since Early '90s." The State Department, Hart said, made it clear that the United States "will have no discussions with the Libyans until they turn over the Pan Am bombers." Hart, "My Secret Talks with Libya and Why They Went Nowhere."

52. One measure of the influence of the victims' families was that their view that economic sanctions should not be lifted until settlement of the Lockerbie matter prevailed, even though major oil companies were pushing for an easing of sanctions. Four U.S. oil companies—Occidental, Amerada Hess, Marathon, and Hunt—had left behind \$2 billion in assets, generating \$2.3 billion in annual income, which was being held in a trust. George Joffe, "Libya: Who Blinkered, and Why," *Current History*, May 2004, p. 224.

53. For the Europeans, ILSA harked back to the early 1980s' dispute over the Soviet Siberian natural gas pipeline, in which even Britain's prime minister, Margaret Thatcher, opposed the Reagan administration's extraterritorial sanctions, as well as to other instances of intra-alliance contention over extraterritoriality. Bruce W. Jentleson, *Pipeline Politics: The Complex Political Economy of East-West Energy Trade* (Ithaca, N.Y.: Cornell University Press, 1986).

and per capita income fell in real terms. The combination of falling world oil prices, Qaddafi's economic mismanagement, and economic sanctions took a heavy toll on the Libyan economy.<sup>54</sup> These were more than just economic statistics, as economic discontent began to fuel political instability.

Moreover, apparently recognizing that the abuses of the revolutionary committees were creating more opposition than they were suppressing, Qaddafi took steps to curtail their activities.<sup>55</sup> But this and other small moves toward political liberalization failed to appease his political opponents. Qaddafi faced growing political challenges from tribal groups as well as opposition groups in exile.<sup>56</sup> Military discontent also again became a problem, with the apparent occurrence of a number of coup attempts, including one in 1993 that was put down only with the arrest of an estimated 2,000 dissidents and the execution of six senior army officers.<sup>57</sup>

Qaddafi also faced mounting Islamist opposition. In one sense, he claimed to have created the first contemporary Islamist state. In 1973, as part of his own "cultural revolution," he had replaced existing laws with Sharia law as derived from the Koran and other Islamic sources. But he did so in ways that threatened the traditional role of the Islamic clerics and jurists, leading to "relentless repression," as Yahia Zoubir put it, including executions of some imams.<sup>58</sup> Qaddafi was also in conflict with the Muslim Brotherhood and other fundamentalist groups, forcing them into exile or underground. By the early-to-mid 1990s, fed further by general economic discontent, the Islamic fundamentalist challenge to the regime intensified. Antigovernment attacks by organizations such as the Libyan Islamic Fighting Group and the Libya Martyrs' Movement left an estimated 600 dead between 1995 and 1998. Benghazi had become a major stronghold for these groups, and in May 1998 Qaddafi sent in approximately 1,000 troops to break their hold on the city and flesh them out.<sup>59</sup>

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54. O'Sullivan, *Shrewd Sanctions*, pp. 204, 210–211, 218.

55. Dirk Vandewalle, "The Libyan Jamahiriyya since 1969," in Vandewalle, *Qaddafi's Libya, 1969–1994*, pp. 34–35; and Hanspeter Mattes, "The Rise and Fall of the Revolutionary Committees," in Vandewalle, *Qadhafi's Libya*, pp. 105–108.

56. Mary-Jane Deeb, "Qadhafi's Changed Policy: Causes and Consequences," *Middle East Policy*, Vol. 7, No. 2 (February 2000), p. 147.

57. Takeyh, "The Rogue Who Came In from the Cold," p. 65; Anderson, "Qadhafi's Legacy," pp. 233–234; and O'Sullivan, *Shrewd Sanctions*, p. 204.

58. Information gathered from Yahia Zoubir, panel 1, "International Terrorism, the Libyan Model: Implications," joint seminar of the Atlantic Council of the United States and the Italian Institute of International Affairs, Rome, Italy, December 13–14, 2004.

59. "Libya: Country Profile, 2004," Economist Intelligence Unit, p. 14.

One of the groups with which Qaddafi was particularly concerned was al-Qaida, which regarded his regime "as no better than the Saudi government, no better than any of these other governments that they hate."<sup>60</sup> Indeed, in 1998 Libya issued the first Interpol arrest warrant against al-Qaida leader Osama bin Laden, accusing him of involvement in the killing of two German antiterrorism agents in Tripoli.<sup>61</sup>

In these and other ways, changes in Libya's domestic politics and economy made the Qaddafi regime more susceptible to coercive diplomacy. U.S. coercive pressure was increasing, while the Libyan leader's capacity to resist was decreasing. And the impact was beginning to threaten Qaddafi's hold on power.

#### PHASE THREE: DIRECT NEGOTIATIONS, 1999–2003

On December 19, 2003, in an announcement that caught most of the world by surprise, Qaddafi agreed to full WMD disarmament. The Libyan commitment was to eliminate its chemical and nuclear weapons programs; declare its nuclear activities to the IAEA; eliminate ballistic missiles beyond a 300-kilometer range with a payload of 500 kilograms; accept international inspections to ensure compliance with the NPT; eliminate all CW stocks and munitions and accede to the Chemical Weapons Convention; and allow immediate inspections and monitoring to verify all of these actions. In rapid succession, Libya deposited its instrument of accession to the Chemical Weapons Convention on January 6, 2004, and became the 159th party to the treaty thirty days later. On January 14 Libya ratified the Comprehensive Test Ban Treaty. On March 10 it signed the Additional Protocol to the NPT, broadening the IAEA's inspection authority. The inspection, dismantling, and disarmament processes have been proceeding ever since.

In taking these steps, Libya reversed its long-standing efforts to gain a WMD capability. In addition to Libyan actions noted earlier, in 1998 it had assembled a modular uranium conversion facility purchased in the 1980s. In late 1999 or early 2000, it acquired two new mass spectrometers; in September 2000 it took possession of two advanced-design L-2 centrifuges, with 10,000 more ordered, the first parts of which began to arrive in December. Shipments of several cyl-

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60. Bernard Gwertzman, "Libyan Expert: Qaddafi, Desperate to End Libya's Isolation, Sends a 'Gift' to President Bush," Council on Foreign Relations interview by Lisa Anderson, December 22, 2003, [http://www.cfr.org/publication/6617/libyan\\_expert.html](http://www.cfr.org/publication/6617/libyan_expert.html)<http://www.cfr.org>.

61. Bhattacharjee and Salama, "Libya and Nonproliferation."

inders of uranium hexafluoride and approximately 16 kilograms of additional uranium compounds arrived in 2001 and 2002, respectively. In late 2001–early 2002, A.Q. Khan provided Libya with the blueprint of a fission weapon and a centrifuge enrichment plan “almost on a turnkey basis.”<sup>62</sup> Between May and December 2002, Libya conducted two successful tests of its centrifuges, albeit without nuclear material. A first shipment of Nodong ballistic missiles from North Korea allegedly arrived along with ten North Korean scientists to work on the program. In October 2003 the United States and several allies, working through the Proliferation Security Initiative (PSI), intercepted a shipment of centrifuge equipment bound for Libya. Although later reassessed as having overestimated Libyan capabilities, intelligence estimates at the time suggested that Libya would have the capacity to build a nuclear warhead by 2007.<sup>63</sup> And as late as June 2003, the CIA stated that “evidence suggested that Libya also sought dual-use capabilities that could be employed to develop and produce BW agents.”<sup>64</sup>

Major progress also was made on the terrorism issue. Libya expelled the Abu Nidal organization in 1999; broke ties with other radical Palestinian groups; closed down training camps, and extradited suspected terrorists to Egypt, Jordan, and Yemen.<sup>65</sup> The 2002 State Department global terrorism report credited Qaddafi for having “repeatedly denounced terrorism” since September 11.<sup>66</sup> Most significantly, the Lockerbie case was settled through a series of steps starting in 1998 and culminating in an agreement in August 2003 to provide \$2.7 billion in compensation to the victims’ families. To be sure, some issues continued to raise concerns. In June 2004, U.S. officials disclosed evidence that the Qaddafi regime had plotted to assassinate Saudi Crown Prince Abdullah in 2003. Qaddafi greeted Ronald Reagan’s death with expressions of disappointment that the former president never had been tried as a

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62. Braun and Chyba, “Proliferation Rings,” p. 16.

63. “Implementation of the NPT Safeguards Agreement of the Socialist People’s Libyan Arab Jamahiriya,” February 20, 2004; “Implementation of the NPT Safeguards Agreement of the Socialist People’s Libyan Arab Jamahiriya,” May 28, 2004; and Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction, “Report to the President of the United States,” pp. 253–254.

64. Central Intelligence Agency, “Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions,” January 1 through June 30, 2003; NTI, “Libya Profile”; and Cirincione, *Deadly Arsenals*, p. 308.

65. Takeyh, “The Rogue Who Came In from the Cold,” p. 68.

66. The report also stated, however, that Libya “may maintain residual contacts with a few [terrorist] groups.” United States Department of State, *Patterns of Global Terrorism, 2001*, May 21, 2002, <http://www.state.gov/s/ct/rls/pgtrpt/2001/>.

war criminal for the death of his daughter in the 1986 bombing.<sup>67</sup> Human rights violations continued. Democracy might be "the future," as Qaddafi's son Seif claimed, but it surely was yet to be part of the present.<sup>68</sup> Still, in February 2004 the United States reopened its interest section in Tripoli, invited Libya to do the same in Washington, and rescinded its ban on travel by U.S. citizens to Libya; in April 2004 it started to ease its economic sanctions against Libya; and in June 2004 it upgraded its diplomatic mission in Tripoli to a U.S. liaison office.<sup>69</sup> Libya had not become Canada, or even Brazil, but it no longer could be considered a rogue state.

Earlier we noted some signs of change in Libyan policy in the early-to-mid 1990s as a result of the greater balance in U.S. strategy and changes in Libya's domestic politics and economy. By the late 1990s, though, the multilateral support that had been key since the early 1990s was eroding.<sup>70</sup> Qaddafi's more restrained regional behavior had put him back in favor with the Organization of African Unity and the Arab League, both of which began to push for lifting sanctions. In September 1997 Russia called for a Lockerbie trial compromise. In October South African President Nelson Mandela put his unrivaled moral authority behind this compromise as well. These and other developments were reasserting international constraints on U.S. policy. So as Secretary of State Madeleine Albright writes in her memoirs, "As our prospects for maintaining sanctions dimmed . . . we began to consider other options." Albright recounts meetings with British Foreign Secretary Robin Cook over Christmas 1997, and then "months of legal and political thrashing about" until on August 25, 1998, Britain and the United States formally proposed that the Lockerbie bomb-

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67. Matthew L. Wald, "Bloc of Lockerbie Families Urges End to Libya Penalties," *New York Times*, June 16, 2004.

68. Craig S. Smith, "In Qaddafi's Son, a Riddle for the West," *International Herald Tribune*, December 15, 2004.

69. White House Office of the Press Secretary, "Steps Taken in U.S.-Libya Relations," February 26, 2004, <http://www.state.gov/p/nea/rls/29930pf.htm>; White House Office of the Press Secretary, "U.S. Eases Economic Embargo against Libya," April 23, 2004, <http://www.state.gov/p/nea/rls/31773pf.htm>; U.S. Department of State, "Background Note: Libya," December 2004, <http://www.state.gov/r/pa/ei/bgn/5425.htm>; and Peter Slevin, "U.S. Resumes Ties with Libya: Relations Renewed after 24 Years," *Washington Post*, June 29, 2004. In September 2004, the United States lifted most of its remaining sanctions against Libya, but it continued to list Libya as a state sponsor of terrorism. Office of the Spokesman, U.S. Department of State, "State Department Highlights Positive Developments in Libya," September 20, 2004, [http://italy.usembassy.gov/file2004\\_09/alia/a4092103.htm](http://italy.usembassy.gov/file2004_09/alia/a4092103.htm); and White House Office of the Press Secretary, "Statement by the Press Secretary," September 20, 2004, <http://www.whitehouse.gov/news/releases/2004/09/print/20040920-8.html>.

70. Ian Hurd, "The Strategic Use of Liberal Internationalism: Libya and UN Sanctions, 1993-2003," *International Organization*, Vol. 59, No. 3 (Summer 2005), pp. 495-526.

ing suspects be tried before a Scottish court sitting in The Hague, following Scottish law and procedures.<sup>71</sup> Two days later they sponsored UN Security Council resolution 1192, providing for the suspension of UN sanctions immediately upon the arrival of the suspects in the Netherlands for trial, although not permanent lifting of sanctions until the case was fully resolved. American unilateral sanctions would remain in effect linked to the WMD issue.

Qaddafi had his own suspicions as to whether a compromise on Lockerbie might be seen as weakness and the push would go beyond policy change back to regime change. It took the assurances of UN Secretary General Kofi Annan and South African President Mandela that Britain and the United States agreed that they had “no intention to interview [the suspects], or allow them to be interviewed, about any issue not related to the trial,” and that they “will not be used to undermine the Libyan regime.”<sup>72</sup> On April 5, 1999, the two Libyan suspects arrived in the Netherlands, and UN sanctions were suspended.

Another breakthrough occurred behind the scenes. A few years earlier, the British opened secret negotiations with the Libyans focusing on the case of Yvonne Fletcher, the London police officer killed in 1984 by someone inside the Libyan diplomatic mission, and on Libyan support for the IRA. These helped to lay the groundwork for what in May 1999, a month after the Lockerbie suspects had been handed over for trial, became U.S.-British-Libyan secret talks. The U.S. side was led by Assistant Secretary of State for Near Eastern Affairs Martin Indyk; the Libya side by Musa Kusa, a top intelligence official close to Qaddafi who also had been involved in the earlier discussions with the British. Egyptian and Saudi leaders played key roles in facilitating the discussions, particularly Prince Bandar bin Sultan, the Saudi ambassador to the United States, at whose Geneva and British estates early rounds were hosted.

On Lockerbie the United States continued to demand Libyan cooperation on the trial, payment of full compensation to the victims’ families, and formal admission of responsibility for the bombing. Assistant Secretary of State Indyk writes that at the first round of talks in May 1999, Libya “officially conveyed” an offer to end its WMD programs.<sup>73</sup> By October it had offered to join the Chemical Weapons Convention, including a pledge to comply with inspection

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71. Madeleine Albright, *Madam Secretary: A Memoir* (New York: Hyperion, 2003), pp. 329–330.

72. Letter from Kofi Annan to Muammar Qaddafi dated February 17, 1999, reproduced in Khalil I. Matar and Robert W. Thabit, *Lockerbie and Libya: A Study in International Relations* (Jefferson, N.C.: McFarland, 2004), pp. 270–272; and “Long Road to Trial in the Netherlands,” *Financial Times* (London), April 6, 1999.

73. Indyk, “Was Kadafi Scared Straight?”



and verification provisions. While the Clinton administration made clear that U.S. unilateral sanctions would not be lifted without a WMD agreement, U.S. negotiators stayed focused on the Lockerbie and terrorism issues. This relative lack of attention to the weapons issue in part reflected intelligence reports that indicated only some WMD activity of concern and no imminent WMD threat.<sup>74</sup> The political constraints imposed by the Pan Am 103 victims' families, who insisted that Libya comply with U.S. demands regarding the Lockerbie bombing before further steps were taken toward normalization of relations with Libya, also contributed to the deferral of talks on WMD. Indeed the talks were suspended in 2000 out of concern that they would be leaked during the presidential campaign.<sup>75</sup>

During the presidential transition following George W. Bush's 2000 victory, Edward Walker, Indyk's successor as assistant secretary of state for Near Eastern affairs, briefed members of the incoming administration on the secret Libya talks. According to Walker, administration officials expressed surprise that the talks had been taking place and showed their own concern about pressure from the Lockerbie families.<sup>76</sup> Then shortly after Bush's inauguration, on January 31, 2001, a verdict was reached in the Lockerbie case. One suspect was acquitted, but the other was convicted. The administration commended the verdict but also called on Libya to comply on payment of compensation and acceptance of responsibility.

In mid-2001 State Department officials sought to restart the secret talks. According to Flynt Leverett, then on the Policy Planning Staff and later at the

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74. For example, the CIA's biannual report on WMD for the first half of 1999 mentioned Libya's efforts to obtain missile technology and its goal of developing an offensive chemical weapons capability, but noted its heavy dependence on foreign suppliers and did not mention biological or nuclear weapons programs. Central Intelligence Agency, "Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions," January 1 through June 30, 1999, [http://www.cia.gov/cia/reports/721\\_reports/jan\\_jun1999.html](http://www.cia.gov/cia/reports/721_reports/jan_jun1999.html). The report for the second half of 1999 added, "Libya continues to develop its nascent and still rudimentary nuclear research and development program, but still requires significant foreign assistance to advance to a nuclear weapons option." Central Intelligence Agency, "Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions," July 1 through December 31, 1999, [http://www.cia.gov/cia/reports/721\\_reports/july\\_dec1999.htm](http://www.cia.gov/cia/reports/721_reports/july_dec1999.htm).

75. Slavin, "Libya's Rehabilitation in Works since Early '90s," quoting Indyk.

76. Slavin, "Libya's Rehabilitation in Works since Early '90s"; Edward Alden and Roula Khalaf, "Dealing with Gadaffi: How the U.S. Negotiated Libya's Rehabilitation," *Financial Times* (London), October 28, 2003; and Martin S. Indyk and Edward S. Walker, "What Does Libya's Disarmament Teach About Rogue States?" speech delivered at the Middle East Institute, Washington, D.C., April 7, 2004, summarized in a policy briefing by Nicole Petsel, <http://www.mideasti.org/articles/doc192.html>.

National Security Council, "We [the United States and Britain] presented the Libyans with a 'script' indicating what they needed to do and say to satisfy our requirements on compensating the families of the Pan Am 103 victims and accepting responsibility for the actions of the Libyan intelligence officers implicated in the case."<sup>77</sup> U.S. negotiators reiterated the quid pro quo of permanent lifting of UN sanctions. At this point WMD still was not included as a major part of the U.S. strategy, although as under Clinton, the Bush administration signaled that WMD "would be the central obstacle to restoring relations after the Pan Am case was resolved."<sup>78</sup>

Following the September 11 al-Qaida attacks on the United States, Qaddafi was one of the first to condemn them. Within days Libya was already cooperating with the United States on investigating the attacks "in very serious ways," including by providing a list of suspects.<sup>79</sup> The next month, the secret talks resumed with Assistant Secretary of State for Near Eastern Affairs William Burns representing the United States and Musa Kusa again speaking on behalf of Libya, and the British also still heavily involved. In a speech in January 2002, Burns described the U.S. strategy as "hard-nosed and realistic," though "not oblivious to the possibilities for change." He even indirectly alluded to the secret talks, making reference to meetings "in recent months" that "have been constructive, and clearly focused."<sup>80</sup>

Within the Bush administration, however, there were disagreements about how to proceed. Libya was noticeable for its absence from the "axis of evil" described in President Bush's January 2002 State of the Union address. There are various explanations as to why. One suggests that the phrase was originally intended to apply only to Iraq; Iran was added at the request of National Security Adviser Condoleezza Rice, and North Korea was "an afterthought."<sup>81</sup> Another stresses British influence: that neoconservative hawks such as Under-

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77. Leverett, "Why Libya Gave Up on the Bomb."

78. Barbara Slavin, "In Terrorism Fight, U.S. Consults Pan Am 103 Suspect," *USA Today*, October 12, 2001.

79. Serge Schmemmann, "U.S. Attacked: President Vows to Exact Punishment for Evil," *New York Times*, September 12, 2001; Anderson, "Qaddafi, Desperate to End Libya's Isolation, Sends a 'Gift' to President Bush"; Institute for International Economics, "Case Studies in Sanctions and Terrorism: Libya," <http://www.iie.com/research/topics/sanctions/libya.htm>.

80. William J. Burns, "Challenges and Opportunities for the United States in the Middle East and North Africa," remarks to the Hannibal Club at the Meridian International Center, Washington, D.C., January 30, 2002, <http://www.state.gov/p/nea/rls/rm/2002/7776.htm>.

81. Hendrik Hertzberg, "Axis Praxis," *New Yorker*, January 13, 2003, pp. 27–29; and David Frum, "How I Created the Axis of Evil," interview by Julian Borger, *Guardian*, January 28, 2003.

secretary of State John Bolton wanted Libya included, but British Foreign Secretary Jack Straw and top Blair aide David Manning prevailed on Rice and Secretary of State Colin Powell not to do so out of concern that the talks would be undermined.<sup>82</sup> Then, in a speech of his own delivered in May 2002 to the Heritage Foundation, Bolton accused Libya of being one of those "rogue states" beyond the axis of evil intent on acquiring WMD.<sup>83</sup> When in December the Bush administration announced its National Strategy to Combat Weapons of Mass Destruction, Libya was listed in a classified appendix along with Iran, Syria, and North Korea as "among the countries that are the central focus of the new U.S. approach," including the option of preemptive military force against states and terrorist groups that may possess or be seeking WMD.<sup>84</sup>

The key development in the intensification of the WMD negotiations appears to have been an August 2002 trip to Libya by British Foreign Office Minister Michael O'Brien who "broached the subject with Qaddafi . . . and had received positive assurances."<sup>85</sup> At a meeting at Camp David the following month, Blair proposed and Bush reportedly accepted a reaffirmation that a deal on WMD would bring normalization of relations. Blair then wrote a letter to this effect to Qaddafi, who responded positively.<sup>86</sup> In addition to the channel through Musa Kusa, U.S. and British negotiators also were working through Qaddafi's son Seif, a student at the London School of Economics and Political Science.

Apparently, though, there was further resistance within the Bush administration. Secretary of Defense Donald Rumsfeld reportedly sent a memo to President Bush, cc'd to National Security Adviser Rice and Secretary of State Powell, arguing that democratization and human rights, not "just" terrorism and WMD, should be on the negotiating agenda, and that UN sanctions should not be lifted just for a Lockerbie settlement.<sup>87</sup> Undersecretary Bolton pushed for a greater role in the negotiations, but pressure from "British

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82. Confidential source, email exchange, April 27, 2005.

83. John R. Bolton, "Beyond the Axis of Evil: Additional Threats from Weapons of Mass Destruction," remarks to the Heritage Foundation, Washington, D.C., May 6, 2002. See also St. John, "Libya Is Not Iraq," p. 395.

84. Mike Allen and Barton Gellman, "Preemptive Strikes Part of U.S. Strategic Doctrine," *Washington Post*, December 11, 2002; and *National Strategy to Combat Weapons of Mass Destruction*, December 2002, <http://www.whitehouse.gov/news/releases/2002/12/WMDStrategy.pdf>.

85. Joffe, "Libya: Who Blinked, and Why," p. 223.

86. Stephen Fidler, Mark Huband, and Roula Khalaf, "Return to the Fold: How Gaddafi Was Persuaded to Give Up His Nuclear Goals," *Financial Times* (London), January 27, 2004.

87. Confidential source, interview, September 29, 2004.

officials 'at the highest level' persuaded the White House to keep him off the negotiating team."<sup>88</sup> By March 2003 talks had progressed to the point that, according to the British, the Libyans were ready "to deal for real" on WMD.<sup>89</sup> This also was when Libya conveyed its readiness to accept "civil liability" for the Lockerbie bombing, the penultimate step before the \$2.7 billion settlement reached in August with the victims' families.

In early October any pretense the Libyans still may have had of downplaying the extent of their WMD programs was shattered by the PSI interdiction in the Italian port of Taranto of the BBC *China*, a German-owned ship bound for Libya carrying centrifuge technology purchased from the Khan network.<sup>90</sup> This provided definitive proof that Libya was developing a uranium enrichment program and "served as a critical factor in Tripoli's decision to open up its weapons programs to international scrutiny."<sup>91</sup> Soon thereafter U.S. and British technical teams were allowed into Libya to inspect weapons sites, laboratories, and military factories. These initial inspections revealed "more extensive Libyan nuclear activities than previously thought, significant quantities of chemical agent . . . [but] no evidence of an offensive biological weapons program."<sup>92</sup>

One of the last stumbling blocks was Qaddafi's insistence on further reassurances about policy change and not regime change, that "if Libya abandoned its WMD program, the U.S. in turn would drop its goal of regime change."<sup>93</sup> The British again were the brokers in these final negotiations. The denouement came on December 19 with the agreement for full WMD disarmament. As the process of deproliferation got under way, so too did the force-diplomacy debate over who "won" Libya.

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88. Michael Hirsh, "Bolton's British Problem," *Newsweek*, May 2, 2005, p. 30.

89. Scott Wightman, deputy chief of mission, Embassy of the United Kingdom (Rome, Italy), address to the Atlantic Council Conference, "The Libyan Model," Rome, Italy, December 13, 2004.

90. Andrew C. Winner, "The Proliferation Security Initiative: The New Face of Interdiction," *Washington Quarterly*, Vol. 28, No. 2 (Spring 2005), p. 137; Carla Anne Robbins, "Cargo Seizure Fueled Libya Arms Shift," *Wall Street Journal*, December 31, 2003; Robin Wright, "Ship Incident May Have Swayed Libya," *Washington Post*, January 1, 2004; and Sharon A. Squassoni and Andrew Feickert, "Disarming Libya: Weapons of Mass Destruction," Congressional Research Service report for Congress, April 22, 2004, <http://fpc.state.gov/documents/organization/32007.pdf>, p. 3.

91. Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction, "Report to the President of the United States," pp. 259–260.

92. Squassoni and Feickert, "Disarming Libya," p. 3; and Tony Allen-Mills and David Cracknell, "From Tyrant to Statesman," *Times* (London), December 21, 2003.

93. Hirsh, "Bolton's British Problem."

PHASE THREE: COERCER STRATEGY. The timing of the December 19 agreement, six days after the capture of Saddam Hussein, and Libya's March 2003 acceptance of civil liability for the Lockerbie bombing just weeks before the start of the Iraq war, would seem to support the Bush administration's position that the Qaddafi regime's decisions were products of U.S. military force. As with many strong correlations, though, causality is more complicated. In one sense, the Iraq war, by overextending the U.S. military and generating intense international opposition, could have been interpreted by Qaddafi as reducing any threat the United States could have posed to his regime. It is far from clear that Qaddafi believed that after Hussein, he was next. Still, as one key U.S. official stressed, the use of force in Iraq (and Afghanistan) had a "demonstration effect" that could not be dismissed. In a broader sense, the consequences of not settling the Lockerbie case, let alone being uncooperative with the United States in its post-September 11 antiterrorism efforts, may have "clarified" Libya's choices and "accelerated" its decisionmaking.<sup>94</sup> British scholar Adam Roberts makes a similar point that "it is possible [that] seeing a fellow Arab leader unceremoniously deposed may have helped to concentrate Qaddafi's mind."<sup>95</sup> Thus, U.S. credibility on the use of force was a factor.

Force was not the only factor, though, and probably not the most important one. A fuller analysis shows how all the elements for coercive diplomacy success came together in phase three. First, as to coercive credibility, two non-military factors also proved influential. Sanctions were one. The multilateralization of sanctions through the United Nations provided greater legitimacy and greater economic impact, thus strengthening the United States' coercive position. Even after the UN sanctions were first suspended and then terminated, the unilateral U.S. sanctions were still having an effect on crucial parts of the Libyan economy and would continue to do so. The other was the intelligence capacity demonstrated in the Taranto interdiction. There had been other instances when the ability of the United States and Britain to obtain reliable and telling intelligence on Libyan activities had been crucial—for example, in the original Lockerbie investigation shifting suspicion from Syria and Iran to Libya, and in the British revelations of Libyan support to the IRA. As one observer noted, the Taranto interdiction "appeared to have a psychological effect

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94. Confidential source, interview.

95. Adam Roberts, "The 'War on Terror' in Historical Perspective," *Survival*, Vol. 47, No. 2 (Summer 2005), p. 119.

on Libyan officials, who had talked in general terms about allowing in U.S. and British experts to assess their nuclear, chemical and biological weapons programs. Once the shipment was halted, 'they saw how much we knew about what they were doing.'"<sup>96</sup>

Second, in keeping to policy change and not regime change, proportionality between ends and means was maintained. The pattern is quite striking of the Libyans' seeking reassurances throughout the negotiations that the terms were policy change not regime change. They did so in the discussions leading to the Lockerbie settlement; in the 1998–99 deal for surrender of the two Libyan suspects and assurances through UN Secretary-General Annan that the trial "will not be used to undermine the Libyan regime"; in a number of reassurances given in the direct talks by Clinton Assistant Secretary Indyk and Bush Assistant Secretary Burns; in U.S. and British assurances in March and August 2003 on the final Lockerbie deal that the official acceptance of civil responsibility would not be used as grounds for legal action against the Libyan government; and in the WMD agreement in the final reassurances needed to close the deal. Had Libya had to guard against policy concessions opening the way to efforts at regime change, it would have been less likely to make its dramatic policy changes.

For these reasons, resistance of hard-line pressures to expand the agenda beyond terrorism and WMD in discussions with Libya was more than just intra-administration politics. Bolton and others within the Bush administration who favored regime change were reluctant to take yes for an answer even on major policy changes on terrorism and WMD. Bolton reportedly was unaware of the December 19 WMD agreement until very shortly before its public announcement. And after initially being given a lead role in implementing it, he pushed so hard to backtrack from the agreement that the British convinced the Bush administration to restrict his involvement in the Libya matter.<sup>97</sup>

Third, the negotiating strategy of measured linkages between the carrots offered and the concessions demanded established reciprocity. Although reciprocity was temporarily in doubt when the talks were suspended during the 2000 presidential election season and when the Bush administration initially was reluctant to reinstate them, the pacing overall was consistent, balanced,

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96. Robbins, "Cargo Seizure Fueled Libya Arms Shift"; Wright, "Ship Incident May Have Swayed Libya"; and Squassoni and Feickert, "Disarming Libya," p. 3.

97. Confidential source, email exchange; and Peter Baker and Dafna Linzer, "Policy Shifts Felt after Bolton's Departure from State Department," *Washington Post*, June 20, 2005.

and steady: UN sanctions suspended for the initial agreement to the Lockerbie trial compromise and the surrender of the Libyan suspects; British-Libyan diplomatic relations restored only after agreement on the Yvonne Fletcher case; EU lifting of diplomatic sanctions but only some economic ones in response to Libyan renunciation of terrorism; U.S.-Libyan confidence-building measures along the way—a commitment to the secret talks in themselves being one of them; U.S. follow-through on easing its unilateral sanctions, taking steps toward normalization of diplomatic relations; and other measures once the full WMD agreement was reached and implemented. Other issues did remain regarding Qaddafi's foreign and domestic policies.<sup>98</sup> But the strategy for dealing with them to a great extent was a continuation of the approach that had led to progress on WMD: pressure for policy change, but not regime change, through a mix of coercive instruments as well as incentives.

TARGET POLITICS AND ECONOMY. The other key set of factors involved changes in Libya's domestic conditions that made the Qaddafi regime more susceptible to U.S. coercive diplomacy. This may seem anomalous at first glance, because the Libyan economy was starting to recover. After oil prices dropped sharply to \$12 per barrel in 1998, they climbed to \$28 per barrel in 2003; while Libya's oil export levels remained steady, oil revenues increased dramatically from less than \$6 billion in 1998 to an average of almost \$12 billion annually from 2000 through 2003.<sup>99</sup> Unemployment remained high, but inflation was less of a problem.<sup>100</sup>

Nevertheless, consistent with our conception of transmission belts, internal dynamics were increasingly making cooperation, rather than confrontation, with the U.S.-led West in Qaddafi's own interest. Ray Takeyh recounts "an extraordinary dispute [that] broke out in the higher echelons of the regime" in the mid-1990s between "pragmatists" stressing the need for structural economic reform and international investment and "hard-liners" wanting to continue defying the West. For a time Qaddafi "remained strangely silent, unable

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98. Tom Donnelly and Vance Serchuk, "Nice Start, Moammar; Just a Couple of Other Things . . .", *Washington Post*, March 28, 2004; Isabelle Werenfels, "How to Deal with the 'New Qaddafi'? Risks and Opportunities of Libyan-European Rapprochement," *SWP Comments* (Berlin), No. 29 (October 2004), [http://www.swp-berlin.org/common/get\\_document.php?id51051](http://www.swp-berlin.org/common/get_document.php?id51051).<http://www.swp-berlin.org>.

99. Libya's annual oil revenues in the 1990s ranged from \$7 billion to almost \$11 billion, except for 1998 when revenues fell below \$6 billion. OPEC, *Annual Statistical Bulletin*, 2003, <http://www.opec.org/library/Annual%20Statistical%20Bulletin/asb2003.htm>.

100. Economist Intelligence Unit, "Libya: Country Profile, 2004," pp. 33–34. Libya actually entered a period of deflation beginning in 2000.

or unwilling to make a decision." But in 1998 he sided with the pragmatists: "'We cannot stand in the way of progress,' announced Qaddafi. . . . 'The fashion now is the free market and investments.'"<sup>101</sup> This development increased the influence of officials in the regime who had become disenchanted with Libya's diplomatic isolation. As Diederik Vandewalle puts it, "The pragmatism that the new technocrats have urged upon Qaddafi, concern over the economic and political toll of sanctions, and the need for international investment in the country's deteriorating oil infrastructure and in developing new oilfields slowly moved Libya to act upon western demands."<sup>102</sup>

U.S. unilateral sanctions were the technological and economic key. As one analyst observed, "Much of [Libya's] energy infrastructure is based upon U.S. technology resulting from the prevalence of American firms during the country's oil discovery and initial extraction. As a result, the Libyan market cannot modernize without the assistance of big U.S. oil companies."<sup>103</sup> Time, it appears, was becoming of the essence. As Hammouda el-Aswad, head of Libya's National Oil Corporation, explained in a 1999 interview, "The Americans knew our equipment, and they placed every item on the sanctions list. Then, when the U.N. embargo was imposed in 1992, the problem became even more complicated because we couldn't buy on the open market. Some machinery has been smuggled in, but we've now used up all our stores. We've had to go to junkyards to recondition discarded parts, and we've even attempted to manufacture our own parts, but we haven't been successful. . . . Since [American companies] are way ahead of Europe in technology, especially in the enhancement of depleted fields, we need their help."<sup>104</sup> Libyans also knew that the prices they could get for oil and gas concessions would be much higher if U.S. investors and companies were part of the bidding.

Libya also came to see its security interests increasingly aligned with countries once viewed as adversaries: "He [Qaddafi] was regarded by the al-Qaeda types as no better than the Saudi government," Lisa Anderson states, "no

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101. Quoted in Takeyh, "The Rogue Who Came In from the Cold," pp. 65–66. See also Vandewalle, "The Origins and Parameters of Libya's Recent Actions."

102. Vandewalle, "The Origins and Parameters of Libya's Recent Actions." This fits Etel Solingen's arguments about the influence of liberalizing coalitions on nuclear restraint. Solingen, "The Political Economy of Nuclear Restraint."

103. Christopher Boucek, "Libya's Return to the Fold?" *FPIF Policy Report*, April 2004, <http://www.fpif.org/papers/2004libya.html>, pp. 3–4.

104. Quoted in Milton Viorst, "The Colonel in His Labyrinth," *Foreign Affairs* Vol. 78, No. 2 (March/April 1999), pp. 71–72.



better than any of these other governments that they hate. He found himself, ironically, on the same side as all of these governments that he had excoriated for a decade at least."<sup>105</sup> Qaddafi's cooperation with the United States against al-Qaida already has been noted. Although there still were instances of Libyan bad behavior, such as the Saudi crown prince assassination plot, overall Qaddafi's shift was significant.

Still, in the last stages of the WMD negotiations, while some bureaucratic factions pushed for the gains to be made through a WMD deal, others more invested in the program urged resistance against U.S. demands.<sup>106</sup> But groups whose interests were being hurt by the status quo and who would be substantially helped by greater integration into the global community were stronger. This of course is a relative statement in a dictatorship such as Qaddafi's, as ultimately the crucial decisions were his. But the logic is the same: not a rogue leader changing his basic goals so much as shifts in domestic political and economic conditions making concessions to the coercing state in the leader's own interests in self-perpetuation.

### *Conclusions and Implications*

Taken together, the three phases of the Libya case demonstrate the importance of two key sets of factors for coercive diplomacy theory: (1) a coercer state strategy that balances credible coercion and deft diplomacy consistent with the three criteria of proportionality, reciprocity, and coercive credibility and that minimizes international and domestic constraints; and (2) the extent of target state vulnerability as shaped by its domestic political and economic conditions, including the transmission belt or circuit-breaker role of elites and other key political actors.

Phase one, the Reagan coercive diplomacy strategy, failed because it lacked balance and because Libya's domestic political and economic vulnerability was limited. The punishment inflicted and costs imposed (even by the 1986 U.S. air strikes) were overridden by the politically integrative effect of focusing

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105. Anderson, "Qaddafi, Desperate to End Libya's Isolation, Sends a 'Gift' to President Bush."

106. The Libyan WMD negotiating team reportedly stressed the need on their end for secrecy in these last stages because of possible internal opposition. Confidential source, email exchange. This fits with the experience in other deproliferation cases. See, for example, Levite, "Never Say Never Again"; Solingen, "The Political Economy of Nuclear Restraint"; and Campbell, Einhorn, and Reiss, *The Nuclear Tipping Point*.

on an external enemy to strengthen internal legitimation. The Libyan economy was experiencing a downturn, but not yet a severe one. Qaddafi largely was able to contain domestic opposition through internal mobilization and repression. The air strikes thus did not deter and arguably precipitated further terrorism, including the 1988 Pan Am 103 bombing.

Phase two, the Bush-Clinton policies, had more mixed results with some Libyan moderation but still limited progress on the Pan Am 103 case and continued pursuit of WMD. The shift from regime change to policy change provided the proportionality lacking in the Reagan strategy. The combination of threats to use force against WMD sites and the multilateralization of sanctions through the UN and other manifestations of international support enhanced coercive credibility. Reciprocity, however, still was lacking, in part reflecting the domestic political pressure from the victims' families not to negotiate until the Lockerbie matter had been resolved. Within Libya, economic problems had grown worse through the combination of falling world oil prices, the mismanagement of the Libyan economy, and the costs imposed by multilateral sanctions. Political conditions also were more threatening as Qaddafi faced a major coup in 1993 and other intraregime splits, as well as mounting Islamic fundamentalist opposition, including from al-Qaida.

Phase three, with the WMD agreement and the final Lockerbie settlement, was the major coercive diplomacy success. The Clinton-Bush strategy was balanced in all three key respects. Although not *the* factor claimed by the Bush administration, U.S. credibility on the use of force was *a* factor. The diplomacy demonstrated reciprocity in the nature and timing of the concessions made and benefits extended. And the ends stayed focused on policy change rather than regime change. Had the Libyans felt that they had to guard against policy concessions being taken as signs of weakness that risked spurring further pressures for regime change, they would have been less likely to make the dramatic policy changes that they did. The second part of the explanation involves the growing conduciveness of Libyan domestic political and economic conditions to coercive diplomacy. Libya was not just coerced; it also was acting out of self-interest. Even with the multilateral sanctions having been lifted with the Lockerbie terrorism settlement, Qaddafi still needed to get out from under the U.S. unilateral sanctions to obtain the technology and investment necessary to revitalize the Libyan oil and gas sector. There also was the sense that only with rapprochement with the United States would full acceptance back into the international community be possible. Although there still

were those who sought to short-circuit U.S. coercive pressure, transmission belt groups whose interests were being hurt by the status quo and would be substantially helped by greater integration into the global community were stronger.

In his writing on policy-relevant scholarship, Alexander George stresses two caveats. One is that while scholars should develop policy typologies and other cross-case comparisons, ultimately their analysis must be “actor specific.” They can draw conditional generalizations about what lessons from case *X* apply to a similar case *Y*, so long as they also take into account the ways in which the two cases are different. Second, scholarly analysis and theory can contribute more to “the conceptualization of strategies” than to detailed delineations of policy plans. Such analysis is a valuable “starting point for constructing a strategy,” to then be applied with actor-specific factors and other considerations in developing the detailed elements of a particular policy.<sup>107</sup> George means these, and we take them, as both self-conscious limits and affirmations of what can be contributed both generally to the force-diplomacy policy debate and to particular current cases such as Iran and North Korea.

In this context we draw six main policy conclusions. First, there is greater potential complementarity between force and diplomacy than more singular advocates of one or the other tend to convey. The credible capacity to act coercively, including but not only through military force, will continue to be crucial. Deft diplomacy, as the full story of the Libya case shows, is no less important. When multilateral support was eroding, the Clinton administration and the British made timely shifts in 1998 on a Lockerbie compromise, and then opened the secret talks that provided a basis for beginning to build trust and work out reciprocities. Assistant Secretary Indyk and his team showed flexibility but also firmness. When the talks were picked up again in late 2001 by Assistant Secretary Burns and his team, the approach remained one of holding firm on the conditions and delivering on the promises.

Second, rogue regimes are reformable.<sup>108</sup> Libya was a case in which major policy change was possible even by a charter rogue. The nature of the regime clearly was a factor, but it was not determinative. Qaddafi’s main motivation remained the same: staying in power. The means for doing so, though, proved more functionally flexible than ideologically fixed. The combination of internal

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107. George, *Bridging the Gap*, pp. 117–118, 130–131, 137–138.

108. Litwak, *Rogue States and U.S. Foreign Policy*; and Nincic, *Analyzing Deviance in World Politics*.

pressures and the coercive diplomacy strategy helped bring Qaddafi to a point where his hold on power was better served by global engagement than global radicalism.

Third, pursuing regime change can be counterproductive to achieving policy change. There are some situations in which regime change rhetoric can have utility. But if there still are doubts about the costs and risks that can be incurred in actually making regime change a policy objective, Iraq should be dispelling them. Alternatively the Libya case shows what can be achieved when regime change is taken off the table. The repeated reassurances the United States and Britain gave Libya of policy change not regime change were absolutely crucial. Rogue states need to know both that the coercer is firm about not accepting too little and also trustworthy about not pushing for too much. This runs counter to the view that keeping regime change as an option enhances leverage and coercive pressure.

Fourth, economic sanctions can be an effective component of a coercive diplomacy strategy when imposed multilaterally and sustained over time. Participants in the undifferentiated debate over whether sanctions do or do not work need to focus more on establishing the conditions under which they are most likely to be effective.<sup>109</sup> Lag time also needs to be taken into account. As of the mid-to-late 1990s, sanctions did not appear to be leveraging much change in Libyan policy. In the end, though, they were a key part of the coercive pressure that brought about policy change.<sup>110</sup>

Fifth, multilateral support is crucial for coercive diplomacy success. The differences in the Libya case between phase one with its very limited United States–European cooperation, and phase two when the UN Security Council gave its normative legitimacy and economic weight to the sanctions, and phase three when the United States and Britain worked closely together were key factors in the variation in coercive diplomacy success. The proliferator needs to be convinced that it cannot drive wedges into the coercer-led coalition. This means pushing the coercer’s prospective allies for a firm policy but not so far as to push for too much and split the coalition.

Sixth, U.S. foreign policy makers also need to manage domestic constraints.

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109. O’Sullivan, *Shrewd Sanctions*; Hufbauer, Schott, and Elliott, *Economic Sanctions Reconsidered*; Baldwin, *Economic Statecraft*; and Pape, “Why Economic Sanctions Do Not Work.”

110. The Iraq case and revelations about how much the sanctions were still constraining Hussein’s WMD programs make a similar point. George A. Lopez and David Cortright, “Containing Iraq: Sanctions Worked,” *Foreign Affairs*, Vol. 83, No. 4 (July/August 2004), pp. 90–103.

When policy options that may be substantively sound but are highly charged politically cannot be pursued or even explored, the task is all the more difficult. Secret talks helped in the Libya case, but secrecy in this media-internet age is in itself a political gamble. As in other areas of foreign policy, political leaders have to find ways to take electoral and other political considerations into account without sacrificing the soundness of the policy's strategy. This is further complicated amid the threats and toll of terrorism, which can have a tremendous impact on personal as well as national security.

Applying this analysis to North Korea and Iran helps both to explain the problems and to provide parameters for potentially more effective policies. The WMD threat in both of these cases is worse than it was in Libya's (or Iraq's before the U.S. invasion). North Korea already has nuclear weapons. Although there is some intelligence uncertainty about Iran, it is known that the programs are more advanced than presumed before the 2002 revelations of their NPT violations and ensuing IAEA inspections.<sup>111</sup>

In both cases, the Bush administration's policies in the first term lacked the balance seen in the Libya case. The inclusion of both North Korea and Iran in the "axis of evil" formulation along with Iraq reinforced the specter of regime change. Even allowing for intentional targeting of the United States as the enemy for propaganda purposes, there was ample precedent for the leaderships of both countries to perceive the threat as real. This came through with North Korea in a November 2002 back-channel overture to two prominent Americans that included a personal message from North Korean leader Kim Jong-il to President Bush offering to resume talks if the United States "recognizes our sovereignty and assures non-aggression."<sup>112</sup> It was in even greater evidence in the joint principles agreed to in September 2005 at the six-party talks, comprising China, Japan, North Korea, Russia, South Korea, and the United States, in

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111. Dafna Linzer, "Iran Is Judged 10 Years from Nuclear Bomb," *Washington Post*, August 2, 2005; Patrick Clawson, "Clarifying and Strengthening the Iran-European Nuclear Accord," *PolicyWatch*, No. 920, November 22, 2004; and Joseph Cirincione, "The Tehran Test," *Globalist*, November 19, 2004, <http://www.theglobalist.com/DBWeb/StoryID.aspx?StoryID=4265>.

112. The two Americans were Donald Gregg, a former top CIA official, past ambassador to South Korea, and currently president of the Korea Society, and Don Oberdorfer, a former diplomatic correspondent for the *Washington Post* and author of a leading book on the Koreans. Gregg and Oberdorfer, "A Moment to Seize with North Korea," *Washington Post*, June 22, 2005. A key to the July 2005 resumption of talks after a year-plus hiatus were statements by Secretary of State Condoleezza Rice overriding her earlier "outpost of tyranny" characterization and affirming North Korea's status as "a sovereign state." Joel Brinkley and David E. Sanger, "North Koreans Agree to Resume Nuclear Talks," *New York Times*, July 10, 2005.

which the United States confirmed that it “has no intention to attack or invade the DPRK [Democratic People’s Republic of Korea]” and that “the DPRK and the United States undertook to respect each other’s sovereignty, exist peacefully together and take steps to normalize their relations subject to their respective bilateral policies.”<sup>113</sup> The Bush administration finally was more willing to accept policy change without regime change and, notwithstanding the remaining uncertainties, progress was made.

The September 2005 agreement also stresses reciprocity by calling for a process of going forward “commitment for commitment, action for action.” The dispute within days of the conclusion of the agreement over the firmness and timing of the commitment to supply North Korea with a light-water nuclear reactor as well as other provisions raised doubts as to whether differences were being bridged or papered over.<sup>114</sup> Moreover, even if negotiations yield further progress on the terms of agreement, given North Korea’s egregious noncompliance record, implementation and enforcement will need particular attention. Given these and other uncertainties, the Bush administration should keep some military options open, such as strengthening security commitments through declaratory policy, arms sales, and force deployments for allied and friendly states potentially threatened by a nuclear North Korea. “Taking out” North Korea’s nuclear capacity rings boldly as rhetoric but has real problems as a military strategy given the dispersal and bunkering of many of the nuclear facilities and obvious counterstrategies such as North Korean retaliatory attacks on the demilitarized zone and Seoul.<sup>115</sup> As with Libya, credible force can be helpful, but deft diplomacy is the key.

On Iran, domestic political and economic factors may be so unconducive that no coercive diplomacy strategy will suffice. The June 2005 election brought to power an even more conservative and anti-American regime than before. One of President Mahmoud Ahmadinejad’s first major decisions was to resume uranium reprocessing, breaching the agreement with the EU-3 (Britain, France, and Germany). In his speech at the United Nations in September 2005, Ahmadinejad launched a blistering attack on the United States and took an

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113. “Text of Joint Statement from Nuclear Talks,” *New York Times*, September 19, 2005.

114. Tong Kin, “You Say Okjeryok, I Say Deterrent,” *Washington Post*, September 25, 2005; and Glenn Kessler, “What That Accord Really Says,” *Washington Post*, September 25, 2005.

115. Scott Stossel, “North Korea: The War Game,” *Atlantic*, July–August 2005, pp. 97–108; and Richard N. Haass, *The Opportunity: America’s Moment to Alter History’s Course* (New York: PublicAffairs, 2005), pp. 96–98.

uncompromising position on the WMD issue. Iran's major oil and natural gas trade and investment agreements with China, India, Russia, and others have made U.S.-EU efforts to agree on concerted multilateral action much more difficult, especially for UN Security Council economic sanctions. Moreover, given the windfall revenues Iran garnered from surging world oil prices in 2005 and U.S. heightened domestic sensitivity to further oil price spikes and supply shortages, the balance of costs from economic sanctions could tilt against the sanctioners.

Nevertheless Iran's potential vulnerability is not to be written off. High unemployment and middle-class discontent persist and can produce the kind of economic pressures that can turn into political instability.<sup>116</sup> The Ahmadinejad regime may find, as so many other populist regimes have, that the fervor of its appeal wanes over time without tangible improvements in the quality of life. Thus, in the Iran case as well, U.S. strategy requires greater balance.<sup>117</sup> This starts with firm and consistent reassurance of policy change not regime change. The United States does not have to forswear all advocacy and support for Iranian human rights and democracy movements, but unless it commits not to use force or covert action to seek to undermine or overthrow the Iranian regime, progress on nuclear weapons and other key policy issues is far less likely. Given the history of U.S.-Iran relations, this has to be a matter for direct U.S.-Iranian bilateral talks.<sup>118</sup> These can be held within the EU-3 umbrella; they can be secret or public; but they must be pursued.

While the threat of military force does not have to be explicitly renounced, its limits do need to be recognized.<sup>119</sup> Regional commitments to allied and friendly states potentially threatened by a nuclear Iran can be buttressed, but invoking military threats as frequently and seemingly lightly as top Bush administration officials have done undermines coercive credibility more than re-

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116. Kenneth Pollack and Ray Takeyh, "Taking on Tehran," *Foreign Affairs*, Vol. 84, No. 2 (March/April 2005), pp. 20-34. An Iranian poll found that when given a choice between nuclear technology and modernization of the oil industry, 53 percent chose the former. Sana Nourani, "Iranian Media Reactions to the Nuclear Impasse," *PolicyWatch*, No. 1024, August 15, 2005.

117. Haass, *The Opportunity*, pp. 100-114; and *Iran: Time for a New Approach*, report of an independent task force sponsored by the Council on Foreign Relations, 2004, [http://www.cfr.org/content/publications/attachments/Iran\\_TF.pdf](http://www.cfr.org/content/publications/attachments/Iran_TF.pdf).

118. EU-3 negotiators have reported consistent Iranian emphases on ex ante U.S. security assurances. European negotiator, confidential briefing, April 19, 2005.

119. James Fallows, "Will Iran Be Next?" *Atlantic*, December 2004, pp. 97-110; and Ephraim Kam, "Curbing the Iranian Nuclear Threat: The Military Option," *Strategic Assessment* (Tel Aviv), Vol. 7, No. 3 (December 2004), <http://www.tau.ac.il/jcss/sa/v7n3p2Kam.html>.

enforces it.<sup>120</sup> Iranian counterstrategies, particularly terrorism through its own networks or by others in solidarity, need to be weighed seriously. Moreover, in the wake of the multilateral controversies over Iraq, international support for anything akin to a unilateral use of force by the United States against Iran is highly unlikely.

U.S.-EU diplomacy can be flexible in its tactics but needs to hold steady on the objectives. Lining up multilateral support has become much harder in the wake of Iraq and the balancing against U.S. power it has set off.<sup>121</sup> The case needs to be made that Iranian unwillingness to abide by its commitments to the multilateral nonproliferation regime is not just jousting with the United States but defiance of the will and the interests of the international community. Making the IAEA work needs to be put above scoring rhetorical and retaliatory points against the Bush administration. If resolution cannot be reached through the IAEA or in direct negotiations, the case needs to be brought to the Security Council. Those who are the strongest proponents of multilateralism really do have the strongest interest in the effectiveness of the regime.<sup>122</sup>

Every case is different, but there also are lessons to be learned. Iraq is teaching us a lot about what not to do. Libya can teach us something about what to do.

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120. On Inauguration Day, January 20, 2005, on the Don Imus radio show, Dick Cheney talked about Iran being "right at the top of the list." Joseph Cirincione, "Bombs Won't 'Solve' Iran," proliferation brief, Vol. 8, No. 5, May 11, 2005, <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=16910&prog=zgp&proj=znpp>.

121. See Robert A. Pape, "Soft Balancing against the United States," *International Security*, Vol. 30, No. 1 (Summer 2005), pp. 7-45; T.V. Paul, "Soft Balancing in the Age of U.S. Primacy," *International Security*, Vol. 30, No. 1 (Summer 2005), pp. 46-71; Stephen G. Brooks and William C. Wohlforth, "Hard Times for Soft Balancing," *International Security*, Vol. 30, No. 1 (Summer 2005), pp. 72-108; Keir A. Lieber and Gerard Alexander, "Waiting for Balancing: Why the World Is Not Pushing Back," *International Security*, Vol. 30, No. 1 (Summer 2005), pp. 109-139; and Stephen A. Walt, *Taming American Power: The Global Response to U.S. Primacy* (New York: W.W. Norton, 2005).

122. Bruce W. Jentleson, "Tough Love Multilateralism," *Washington Quarterly*, Vol. 27, No.1 (Winter 2002-03), pp. 7-24.