

**The Domestic Sources of
Nuclear Postures**
*Influencing “Fence-Sitters” in the Post-
Cold War Era*

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Forward by Susan L. Shirk

IGCC Policy Paper 8
October 1994

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FORWARD

by Susan L. Shirk



Nuclear proliferation has become among the thorniest security challenges facing experts and policymakers. Although not a new problem, proliferation appears as a more serious threat now that the risk of U.S.-Soviet nuclear war has disappeared. President Clinton, in a speech before the United Nations in September 1993, stated that, “one of our most urgent priorities must be attacking the proliferation of weapons of mass destruction.” In particular, the clandestine nuclear programs of Iraq and North Korea, both Nuclear Non-Proliferation Treaty (NPT) member-states, have focused increased attention on improving the international non-proliferation regime. The NPT, considered the cornerstone of that regime, is up for review in April 1995. At the review conference, member-states will decide whether the treaty will be renewed indefinitely, or for a fixed period.

As we now reflect on past lessons and future policies, we should closely examine all the forces—domestic as well as international—that lead to or deter nuclear proliferation. Beyond Iraq and North Korea, what can we learn from undeclared nuclear states suspected of having—but not admitting to—a nuclear weapons capability? Three of the states most often mentioned in this category—India, Pakistan, and Israel—are not parties to the NPT and thus deserve particularly close scrutiny. They can provide us with additional insights into why certain nations veil their nuclear weapons programs and defy widely-accepted international norms.

In this Institute on Global Conflict and Cooperation (IGCC) Policy Paper, Professor Etel Solingen of the University of California, Irvine suggests a new nomenclature—fence-sitters—for nations that may already have or are seeking nuclear weapons and that fail to support the international regime against nuclear proliferation. She advocates paying greater attention to the domestic and economic influences on nuclear policies. Solingen also argues that international policymakers should take domestic actors into account when designing non-proliferation strategies. At a time of expanding global

democratization, when the superpowers debate budgetary priorities and work to reduce their nuclear arsenals, fence-sitters cannot remain forever isolated from their own competing domestic priorities.

Since 1983 when Dr. Herbert York opened IGCC's doors, the institute has conducted research on arms control and proliferation issues. With the end of the Cold War, however, our research agenda had expanded to include regional relations, international environmental policy, international relations theory, and most recently, the domestic sources of foreign policy. IGCC's system wide structure enables it to draw from an enormous pool of talented specialists at all nine

University of California campuses, Lawrence Livermore National Laboratory, and Los Alamos National Laboratory. In all its work, IGCC serves as a liaison between the academic and policy communities, injecting fresh ideas developed by UC researchers into the policy process. Dr. Solingen's policy paper follows in that tradition. At a time when the issue of nuclear non-proliferation is high on the national and international agenda, IGCC is proud to contribute to the discussion and debate.

Susan L. Shirk, Director
12 December 1994

NUCLEAR POSTURES: INFLUENCING “FENCE-SITTERS” IN THE POST-COLD WAR ERA

by Etel Solingen



Why do some countries refuse to commit themselves to nuclear nonproliferation or to renounce their nuclear option? This paper argues that the best way to understand—and influence—such “fence-sitters” is to look to their domestic politics. Economic policy preferences can shift domestic political coalitions’ nuclear positions. Countries ruled by coalitions of social and economic groups pursuing economic liberalization are more likely to cooperate internationally on nuclear nonproliferation than are countries ruled by inward-looking coalitions with radical or fundamentalist ideologies.

Recognizing the importance of domestic politics for nuclear postures suggests several guidelines for international nonproliferation efforts:

- Multilateral economic mechanisms can pinpoint domestic targets for sanctions and inducements.
- The indirect effects on nuclear postures of IMF-type conditionality arrangements must be evaluated to avoid weakening groups opposed to nuclear weapons.
- Domestic constituencies opposed to nuclear weapons and supportive of nonproliferation should be encouraged through the democratic process.
- Nonproliferation NGOs can play an important role in encouraging the creation of such domestic constituencies.

Introduction

This paper derives policy recommendations from a new understanding of countries unwilling to renounce nuclear designs. My concern here is with countries that, for lack of a better term, I label “fence-sitters.” These are the few states reluctant to commit themselves fully and effectively to a global or regional nonproliferation regime.¹ I prefer this term to an older one—“nth countries”—because the latter evokes, at least in the minds of some people, the notion of an irrevocable march towards the emergence of the next “n.” Such uncommitted states in fact await making an ultimate declaratory political stand while sitting on various types of fences (some with basements), holding varied levels of nuclear capabilities. Fence-sitting, in other words, refers to a country’s international nuclear postures, not its military status. The term thus covers an array of countries which have different ranges of capabilities, intentions, and formal commitments, including India, Iran, Iraq, Israel, Libya, Pakistan, and North Korea.²

Academic and foreign policy experts and practitioners alike have traditionally explained the behavior of fence-sitters in terms of fundamental problems of physical survival in an anarchic world. While accepting this fundamental premise, I suggest that fence-sitters have a choice of instruments for coping with security problems. Some have maintained ambiguous nuclear policies; others have chosen to commit to nuclear nonproliferation while embarking on a strategy of integration into the global political economy. Domestic politics largely influenced whether fence-sitters chose one path or the other.

The opening section of this paper explores why it is imperative to bring domestic politics more explicitly into the study of nonproliferation. The section following suggests one plausible approach: outlining the relationship between domestic political coalitions and alternative nuclear postures. I then draw out the practical implications of a domestic focus for multilateral efforts to stem the proliferation of nuclear weapons. Such efforts would include designing mul-

tilateral economic sanctions and inducements aimed at domestic targets; evaluating the indirect effects on nuclear postures of International Monetary Fund (IMF)-style conditionality arrangements; promoting supportive nonproliferation constituencies through the democratic process; and enrolling credible nonproliferation non-governmental agencies (NGOs) in this effort.

The conclusion places the approach suggested here within a wider context of policies aimed at reversing nuclear proliferation, none of which alone opens the gate to the holy grail of global nuclear disarmament.

Nonproliferation Study and Practice: The Neglect of Domestic Politics

Without doubt, at the outset security considerations hoisted most of the countries in question onto the nuclear fence.³ However, domestic considerations have become more central to subsequent nuclear policies for the following reasons:

First, there was a growing realization that the relationship between nuclear weapons and genuine security is more complex and indeterminate than previously assumed.⁴ Nuclear weapons may, but do not necessarily, guarantee a state’s security; they might even undermine it. Among fence-sitters, recognition of this complexity gradually weakened the privileged status of nuclear programs as deserving sacrosanct autonomy from “politics as usual.” Domestic groups raised the question: If the value of nuclear weapons is inconclusive, why could they not frame their attitudes towards this issue (as towards others) on the basis of their differing political and institutional interests? An essential feature of

¹ A full formal commitment, such as ratifying the nonproliferation treaty, is different from an effective commitment to such membership. In other words, Iraq is no Costa Rica.

² Argentina, Brazil, and South Africa left this group recently and are discussed below. As countries that inherited nuclear weapons from the Soviet empire, Ukraine, Belarus, and Kazakhstan are a particular case.

³ Moreover, competition in the realm of security almost singlehandedly explains the decisions of nuclear weapon states (the Five) in the decade following World War Two. Our analysis here takes into consideration not only the regional, rather than global, power status of fence-sitters, but also the different temporal, ideal, material, and other conditions (that is, *Zeitgeist*, *milieu*, or world-time), particularly with respect to the global political economy, under which they have contemplated development of nuclear weapons.

⁴ Nye (1987). On why the logic of neorealism is inconclusive in explaining regional nuclear postures see Solingen (1994a). Even those like Mearsheimer (1993) who identify some stabilizing effects from nuclear weapons in some circumstances, acknowledge that they do not promote peace and security in all instances.

nuclear weapons (their unpredictable utility) progressively, albeit often unperceived at the popular level, reduced the autonomy of nuclear policy.

Second, the requirements of industrialization and of defining a developing state's relations to the international economy further diluted the relative autonomy of nuclear policy. Boundaries between strategies of national economics and strategies of national security blurred. A choice to deepen one's relationship to global markets and international institutions affected the range of choices available in the nuclear area. States could once fence-sit with relative impunity while pursuing their economic strategies. With the emergence of mild but creeping linkages between nuclear policies and access to foreign capital and advanced technology, this began to change.⁵

The demonstration effect in the last 15 years or so of the 'miracle' trading states of East Asia (none of which remains on the fence) became an important reference point for international institutions that linked economic achievement to nuclear restraint. The growing internationalization of markets, finance, and technology raised fence-sitters' stakes. Domestic coalitions steering integration with the world political economy understood the new terms requiring commitment to nonproliferation—as well as the potential implications for their own political control of the process of industrialization.

Third and most recently, the end of the Cold War and the growing regionalization of conflicts exacerbated domestic debates about national security policies. It was no longer feasible for fence-sitters to peg regional postures to the inexorable logic of superpower competition. Moreover, the waning of certain superpower "rents" (foreign aid in exchange for strategic influence) to regions like the Middle East, and the consequent contraction of resources flowing into the region, forced a domestic debate over redefining all priorities in the economic and security realms. Domestic groups thus acquired more room to maneuver and, for the first time ever, the internal debate over nuclear policy broadened within fence-sitting states from Argentina to Israel. Defense allocations were central to such discussion, which pitted groups and institutions favoring market reforms against

those who wished their states to retain more centralized control of economics and politics.

Thus, the behavior of fence-sitters has proven to be increasingly more responsive to other than security considerations.⁶ Growing attention to economic performance and domestic priorities have often weakened the ability of fence-sitters' politicians, foreign policy bureaucracies, and military institutions to shape security postures in isolation from other macropolitical motivations.

In light of these developments, there are two main drawbacks to continued treatment of fence-sitters as unified actors, and to exclusive concern with security threats as the organizing principle underlying their nuclear policy behavior: one is analytical, the other operational.

Analytically, because perception of a security threat is both subjective and open-ended, different domestic actors can and do envisage different solutions to security concerns. Understanding these particular perspectives is more helpful than assuming an abstract, monolithic definition of a state's security 'requirements'. Establishing that the security context is more fragile in the Middle East than in the southern cone of Latin America, as many comparative nonproliferation studies have done, is not a dramatic finding in itself, and does not explain why fence-sitting continued to hold sway for over two decades in both regions. More generally, neither did the sole preoccupation with security easily account for the wide range of solutions that "paranoids, pygmies and pariahs" embraced in response to their regional predicaments.⁷ Given similar (or identical) regional tensions, some superpower protectorates (Taiwan, South Korea, and Egypt) climbed down from the fence and became bona fide members of the nonproliferation regime, while others (Iraq, North Korea, Libya, Israel, and Pakistan) retained an ambiguous posture.

The second deficiency of an abstract focus on a nation's power relative to other nations and its level of insecurity is operational: it undermines our ability to think about nonproliferation in a more sophisticated way. This makes it diffi-

⁵ The PRC developed nuclear weapons well before these tradeoffs were relevant to its strategy of industrialization.

⁶ The unraveling of U.S.-Soviet relations reinforces the need to understand better how domestic politics influence strategic behavior. Pioneering studies of U.S.-Soviet relations following a domestic focus include, inter-alia, Huntington (1961), York (1970), Kurth (1971), Evangelista (1988), and Snyder (1991).

⁷ The three characterizations are from an original article by Betts (1977).

cult to move away from the carrots and sticks in the classical security kit, which often have an undifferentiated target in mind: the “recalcitrant state”.⁸

International relations scholarship has grown progressively concerned with domestic determinants of foreign policy and with the growing role of non-state actors.⁹ As early as 1960 Stanley Hoffman suggested that “one of the crucial features and paradoxes of politics today is that whereas internal politics are conditioned and affected by world problems more than ever before, the foreign policy of nations remains largely dictated by the domestic experience and by the nation’s image of itself.”¹⁰ Some studies of fence-sitters have described ways that domestic groups define incentives and disincentives when they adopt one nuclear posture or another. However, for the most part, these works merely enumerated relevant political actors, providing, at best, a rough-and-tumble account of the “bureaucratic politics” dimension of nuclear decision-making.

A systematic approach, one that built on available scholarly research into the domestic sources of international behavior, was lacking.¹¹ The omission limited the grounds for meaningful inter-regional comparisons, and for a common basis of international action. Moreover, a unifying framework is compelling, since fence-sitters are also industrializing states, whose alternative political-economic coalitions compete to define their countries’ domestic strategies as well as their association with the international political and economic order.

Contending Coalitions Within Fence-sitting States

Growing democratization allows new constituencies to become players in defining nuclear postures. Thus, when reviewing possible compromises on nuclear issues, we must also untangle the constituencies likely to back one solution over another. In broad terms, domestic coalitions

⁸ Prominent in the security-based portfolio is the supply of conventional weapons. On the “dove’s dilemma” (providing such weapons in exchange for nonproliferation commitments), see Dunn (1981).

⁹ For a seminal contribution to this conceptual innovation see Keohane and Nye (1977).

¹⁰ Hoffman (1960), 4.

¹¹ On the dangers of separating the study of security affairs from theory-oriented research, see Walt (1991) and Kolodziej (1992).

of political, social, and economic groups that pursue economic liberalization seem more likely to embrace cooperative nuclear arrangements than their inward-looking, nationalist, and fundamentalist counterparts.¹² The argument runs as follows:

Economic liberalization and its consequences for resource distribution create two basic coalitions: one that favors liberalization; another that opposes it. Economic liberalization implies a gradual and selective reduction of state control over markets and of barriers to trade, an expansion of private economic transactions and foreign investment, and the privatization of public sector enterprises.¹³ Liberalizing coalitions often include internationally-oriented large banking and industrial complexes, smaller firms engaged in exports, their associated highly-skilled labor force, and other public and private managerial, technical, and service-oriented professional groups. The strategy of liberalizing coalitions is two-pronged:

First, economic liberalizers aim at policies that weaken domestic challengers—often comprised of protectionist interests, bloated state bureaucracies, and military-industrial (including nuclear) complexes. Ambiguous nuclear postures allow nucleocrats to claim budgetary resources with far fewer restraints and accountability than is the case with more transparent nuclear commitments. By seeking to expand state power and maintain unproductive and inflationary military investments, nucleocrats become a political-economic threat to the programs of liberalizing coalitions.¹⁴ Economic liberalizers who seek to restrain these competitors for domestic economic control thus may become direct supporters of genuinely nonproliferative—or at least transparent—nuclear policies.

Further, to execute their domestic agendas, liberalizing coalitions must rely heavily on the global economy and international economic in-

¹² For a detailed analysis of the logical and empirical foundations of this proposition see Solingen (1994b). I use the term “fundamentalist” here only because it is more readily understood by a wide readership than the perhaps more neutral term “radical-confessional.”

¹³ Political liberalization is not an immediate requirement for economic liberalization, at least during the latter’s initial phases. On the relationship between liberal-democracy and regional nuclear outcomes see *ibid.*

¹⁴ On how predatory taxation—very often adopted for defense purposes—reduces profit margins and discourages private investment see Feigenbaum and Henig (1994).

stitutions. Such reliance reinforces their inherent tendency to favor nuclear postures that are contained at worst, and clearly bounded at best. Denuclearization enhances these coalitions' bargaining position vis-a-vis international institutions and powerful states, who connect these coalitions to the promise of development, efficiency reforms, and demilitarization. The appeal of normalizing a country's relations with the international community were evident in South Africa's Foreign Minister Botha's 1991 statement: "We want to be included in the [IAEA] club."¹⁵

South Korea, Taiwan, and more recently Brazil, Argentina, and South Africa, are examples of how liberalizing coalitions prevailed over domestic contenders, and descended from the nuclear fence. Following their effective commitments to the NPT in the 1970s, Taiwan and South Korea became favorites of international economic institutions (private and public) and the envy of the industrializing world. The latest commitments by Argentina, Brazil and South Africa prompted similar international responses, as well as their quick removal from lists proscribing transfers of "dual use" items.¹⁶ In most cases, liberalizing coalitions enjoyed widespread political support, leaving little room for domestic challenges to their anti-nuclear policies. President Carlos S. Menem of Argentina and President Fernando Collor de Mello of Brazil initiated economic shock programs, while explicitly renouncing nuclear weapons for the first time. In 1991, the two countries committed fully to the Tlatelolco treaty and established mutual verification and nuclear facility inspection procedures.¹⁷ Argentina's nuclear program was now at the mercy of President Menem's director of planning, whose agenda pushed privatization and state expenditure reduction. Menem has gone as far as expressing unilateral readiness to ratify the

NPT in time for the 1995 Extension and Review Conference.¹⁸

During the late 1980s, parallel efforts in India and Pakistan at liberalizing domestic markets and foreign trade coincided with a modest attempt by Prime Ministers Rajiv Gandhi of India and Benazir Bhutto of Pakistan to initiate nuclear cooperation.¹⁹

India's P.V. Narasimha Rao government has not yet embraced a 1991 Pakistani overture for a nuclear-free-zone, but neither has it rejected negotiations completely. This narrow coalition has little room to maneuver: opponents still challenge its liberalizing attempt to tame a bloated state sector, foster multinational investment and increase World Bank and IMF loans.

Pakistani Prime Minister Nawaz Sharif, representing business interests, led those proposing a nuclear-free-zone. Sharif's trademark was an emphasis on free markets, economic reform, foreign investment, and international financial aid.²⁰ In 1993, interim Prime Minister Moeen Qureshi, a former vice president of the World Bank, launched unprecedented economic reforms (including the elimination of some subsidies, strengthening the central bank, devaluing the rupee, and taxing the feudal oligarchy), while attempting to freeze nuclear activities.²¹ These reforms shook the classic beneficiaries of Pakistan's political establishment, including the military-industrial complex. Benazir Bhutto's coalition, that includes wealthy landowners and requires the support of the military, has reversed some of these reforms and maintains an ambiguous nuclear stance.

Most ruling coalitions in the Middle East are backed by powerful domestic constituencies that favor integration with the world economy. These include the oil sector in the Persian Gulf and

¹⁵ Wren (1991).

¹⁶ On the de Klerk government's commitment to the NPT and on the opposition to his reforms, including those in the nuclear area, see Spector (1992). For a more detailed account of the connection between economic liberalization and nuclear postures in the Korean peninsula, South Asia, the Middle East, and the Southern Cone of Latin America, see Solingen (1994b).

¹⁷ On how ensuring a favorable economic and investment climate underpinned these agreements, see Stanley (1992), 207.

¹⁸ John R. Redick, "Argentina-Brazil Nuclear Non-Proliferation Initiatives," *PPNN* 3 (January 1994), 4.

¹⁹ India and Pakistan signed an agreement not to attack each other's nuclear facilities in late 1988. Rajiv Gandhi's government debated a radical program of economic liberalization during that year. Earlier, in the late 1970s, Prime Minister Morarji Desai from the Janata Party took initial steps at liberalization while vehemently opposing India's nuclear weapons program and supporting a comprehensive test ban treaty (1982), 124.

²⁰ In July 1991 Pakistan expressed interest in signing the NPT unilaterally (without India doing so), if the US would reinstate aid cut off under the Pressler Amendment. See "Eye on Supply," *Monterey Institute of International Studies* 6 (Spring 1992), 11.

²¹ *PPNN Newsbrief* (3d quarter 1993), 19.

Arabian peninsula; the tourist-based, commercial-agriculture, and internationally-oriented (munfatihun) economies of Egypt and Jordan; and the high-tech export-oriented industrialists in Israel. These coalitions advocate openness to international markets, international tourism, cooperative relations with international financial institutions, and support for the Arab-Israeli peace process.

An early exemplar of a liberalizing coalition—Egypt under Presidents Sadat and Mubarak—played an entrepreneurial role in coalescing support for a nuclear-free-zone in the region. Cooperative regional postures enabled this coalition to tackle the socioeconomic havoc left by declining oil prices, overpopulation, economic mismanagements, and foreign policy adventurism. It is quite suggestive that Sadat launched his infitah (economic liberalization) program in 1974, the same year Egypt proposed, for the first time, a nuclear-free-zone.²²

In Israel, most constituencies backing the Labor coalition support economic liberalization and internationalization. They are more receptive to territorial compromise, and their support for recognition of the PLO reveals a pragmatic understanding of the economic windfalls of peace.²³ A statement by deputy foreign minister Yossi Beilin summarizes the aims of Labor diplomacy: “to use the new situation in order to become a more welcome member of the international club.”²⁴ The Labor government’s steadfast pursuit of a comprehensive peace settlement, in contrast to its Likud predecessor, is illustrated by its dedication to the ongoing multilateral peace talks on arms control.

Opposing economic liberalization are inward-looking coalitions that often logroll state-based economic interests with nationalist or fundamentalist religious, ethnic, or cultural groups, all of which regard the strategy of internationalization as a threat to their material or spiritual values. Historically, leaders of such coalitions (Peron in Argentina, the Ayatollah Khomeini in Iran, Nasser in Egypt, Kim Il-Sung in North Korea) relied heavily on myth-making, particularly the idea of self-reliance, rejecting global markets

and institutions while espousing adversarial regional policies.²⁵ In the extreme form of such coalitions, as with Saddam Hussein, Muammar al-Qaddafi, and Kim Il-Sung, nuclear weapons played a central role in the call for final, redemptive liberation from outside control.²⁶ It is quite suggestive that only this type of coalition (Iraq and North Korea) has resorted to recalcitrant statements on the nuclear issue, such as “We will scorch” the opponent (Saddam Hussein on the eve of the Gulf War), or turn it into a “ring of fire” or a “sea of flames” (a North Korean official in early 1993 and 1994).²⁷

India’s fundamentalist Hinduist Bharatiya Janata Party (BJP) platform combines the banning of foreign loans, investments, and imports with a call to build and deploy nuclear weapons.²⁸ Cashing in on widespread popular resentment against the West, for both its economic success and its imposition of a nuclear cartel over less powerful states, BJP also enjoys increasing support from domestic food processing, automobile, banking, communications, and other industries which directly compete with foreign importers. The party thus expressly rejects World Bank and IMF-imposed plans for the restructuring the Indian economy, as well as international development agencies’ policies favoring population control and the eradication of illiteracy. Many of these positions are echoed by Pakistan’s militant Islamic party Jamaat-i-Islami, which has often challenged the Western-style modernization policies of the Sharif coalition.

It is also suggestive that the ascension of President Itamar Franco in Brazil, his initial wooing of a nationalist constituency and attacks on international financial institutions and their domestic allies, were accompanied by retractive statements on Brazil’s sovereignty in nuclear matters.

In the Middle East, different brands of radical Islamic challengers offer themselves as an alternative to royalist, secular, and tamed Islamic liberalizing coalitions (or combinations thereof), proposing a new political economy which, in some cases, is less compatible with cooperative

²² Egypt and Iran joined in advancing this proposal at the U.N. (Karem 1988).

²³ Likud-led coalitions have generally used external pressures to coalesce forces opposed to a territorial settlement, and are less receptive to ‘intrusive’ international mechanisms of regional conflict-resolution.

²⁴ Quoted in Eric Silver, *Financial Times*, 7 December 1992.

²⁵ On use of mythmaking as a means to coalesce nationalist forces, see Snyder (1991) and Van Evera (1994).

²⁶ On calls for an “Islamic” bomb, see Mazrui (1989) and Hoodbhoy (1993), 42-49.

²⁷ Others (Israel, Pakistan, India) have delivered calculated threats as well, but far less inflammatory ones.

²⁸ See BJP leader Lai Krishna Advani’s statement that India will go nuclear when BJP comes to power in *PPNN Newsbrief* (2d quarter 1993), 14.

solutions to regional nuclear dilemmas. Islamic coalitions of rural agrarian notables and estate-owners, the state-employed petite-bourgeoisie, and the underemployed intelligentsia decry ties to the international economy and its perceived associated scourges: inequalities, corruption, unemployment and enslaving indebtedness.²⁹ In many cases these coalitions advocate a new social order in which the idea of a comprehensive peace settlement—let alone a regional nuclear regime—with non-Moslems is anathema, confounding the clear Islamic dichotomy of dar-al-Islam (Islamic realm) and dar-al harb (realm of warfare).³⁰

The case of Iran is particularly pertinent to this argument. Following the Islamic revolution in 1979, Iran discontinued its active role in promoting a Middle East nuclear-weapons-free-zone. There has been only limited support in Iran, as confirmed in the 1993 elections, for President Hashemi Rafsanjani's attempt to consolidate a coalition endorsing privatization, free-trade, and foreign investments, and for the reversal of a policy of national redistribution of wealth from the private to the public sector. Radical Islamic organizations controlling bloated state industries and charity foundations have little incentive to transfer their power to private entrepreneurs, or to abandon redeeming myths, such as their challenge to 'Western' regimes and institutions.³¹ Out of this political camp came the call from Vice-president Sayed Ayatollah Mohajerani in 1992: "We, the Muslims, must cooperate to produce an atomic bomb, regardless of UN efforts to prevent proliferation."³² Although an NPT signatory, Iran is suspected of pursuing a weapons program, an accusation President Rafsanjani has denied.³³

²⁹ On the principles of an Islamic political economy see Kuran (1990) and Esposito (1991). On the socio-economic basis of fundamentalist coalitions see Binder (1988) and Amuzegar (1993).

³⁰ I emphasize the first three words of this sentence, in many cases, indicating a general trend but not a universal feature. For instance, some Islamic movements do not completely oppose free enterprise or global economic integration, as Amuzegar (1993), Hadar (1993), and Kuran (1995), note. In fact, the kingdoms of the Arabian peninsula have struck a convenient balance between Islam and economic reliance on the West.

³¹ Chris Hedges, *New York Times* (6/11/1993:A3 and 6/14/1993:A6).

³² Hoodbhoy, *Myth-Building*, 43.

³³ *PPNN Newsbrief* 20 (winter 1992), 15; and Lake (1994), 52.

The Iranian case suggests four main points:

- First, Islamic movements are diverse and should not be regarded as universally inward-looking or necessarily leaning towards nuclear weapons.
- Second, the continued struggle between 'moderates' and radicals helps explain the unclear and unstable nature of Iran's nuclear postures in the past decade.
- Third, whatever nuclear capabilities Iran may be seeking, those capabilities are now a problem of the international community (as with Iraq) and not merely of Iran's neighbors.³⁴ Iranian nuclear activities could thus trigger multilateral intervention, either of the kind engineered for Iraq or of that for North Korea.
- Fourth, the ability of intransigent coalitions—as those in Iran and the Sudan—to wreak havoc in Middle East peace negotiations is inversely related to the successful achievement of a comprehensive Arab-Israeli peace settlement.

The relationship between economic processes, political coalitions, and nuclear postures points to a pattern, not an infallible rule.³⁵ It is possible for domestic coalitions to strongly support their country's international economic integration while resisting other global and regional regimes (political, security, environmental, human rights). China immediately comes to mind—but China is already a nuclear power. However, such coalitions' ability to disaggregate a state's allegiance to emerging global economic arrangements from other global commitments ("we will trade as freely as we repress and pollute") may decline. The commitment to various international regimes is becoming more and more indivisible. Fence-sitters' nuclear postures are increasingly nested in a broader context of relations that create certain mutual expectations. Fence-sitters expect to share in the benefits of international economic interdependence, but in return the international community expects effective adherence to NPT principles.

³⁴ Harkabi (1993); Lake (1994).

³⁵ For instance, the preceding characterization of BJP affirms political views that prevailed in programmatic platforms, without denying the existence of alternative currents, both with respect to economic processes and nuclear weapons.

Using the New Multilateralism to Aid Nonproliferation

What are the policy implications of domestic politics in general, and of the foregoing analysis of coalitions in particular, for international institutions interested in nonproliferation? Emerging post-Cold War multilateralism recognizes that international institutions (in all issue-areas) provide a useful mechanism for bringing societies worldwide into conformity with new norms.³⁶ Challenging sovereignty over nuclear facilities, and holding rulers accountable for human rights, monitoring elections, and defending the environment, all point to the growing acceptance of international intrusiveness in the affairs of nation-states.

Through these and other, less evident forays, international institutional intervention can shift domestic coalitional balances by bolstering certain groups and agencies at the expense of others.³⁷ For instance, externally-induced structural adjustments often threaten military-industrial complexes and strengthen those managing economic reform (particularly finance ministries, central banks, and export-promotion bureaus). International pressures for human rights standards empower domestic groups responsible for monitoring compliance, at the expense of repressive agencies. Environmental regimes entrust local institutional networks with the ability—backed by unprecedented legal powers—to challenge industrial activities such as nuclear energy production.

Considering the particular agendas of various domestic groups can thus help the international community devise more effective mechanisms to weaken pro-nuclear constituencies and strengthen those groups, institutions, parties, and electoral blocs opposing nuclearization on economic, ideological, or other grounds. The formal institutions within the nonproliferation regime have for the most part been precluded from exercising any such intervention.

Although more recently the activities of the UN Special Commission on Iraq had the practical effect of dismantling Iraq's nuclear industrial complex in a very direct way, this type of intervention (in the wake of military defeat) may

prove to be an anomaly. The lessons from the Iraqi experience, including the willingness of an NPT signatory to risk deceiving its co-signatories; and the usefulness of aggressive challenge inspections and biting sanctions, are the subject of intense scrutiny in the nonproliferation community, and I will not discuss them here.³⁸

Less often the subject of public debate is the potential role of international economic institutions in promoting nuclear nonproliferation.³⁹ This is particularly interesting given that the fate of liberalizing coalitions is embedded in the global economic system and its associated institutions. As allies of liberalizing coalitions, international institutions providing credit (the World Bank; the IMF; private banks) and defining the terms of trade and investment (GATT; regional common markets), can affect the political longevity of liberalizing coalitions. Actions taken by these institutions vis-a-vis specific countries also affects decisions by private financial and investment networks.

Four main points must be addressed in thinking about linkages between nonproliferation, other international (particularly economic) regimes, and the domestic politics of fence-sitters:

- the conditions and inducements enacted by international financial institutions;
- the unintended backlash on nonproliferation policies from such packages;
- democratization, transparency, and domestic compliance verification;
- the role of non-governmental organizations in supporting nonproliferation policies.

Direct Linkages: Carrots and Sticks

Quid pro quos provide means of direct intervention in domestic debates over nuclear postures. Military expenditures often account for a significant portion of foreign debt, are inflationary, and compete with savings and alternative productive investment.⁴⁰ The growing willingness of international financial

³⁸ See, for instance, Scheinman (1992), Chayes and Chayes (1992), and Fisher (1992).

³⁹ For an early discussion of connections among the nonproliferation and other regimes, see Nye (1981).

⁴⁰ On IMF and World Bank willingness to link aid to a commitment to cut military expenditures, see Paul Blaustein, "World Bank, IMF to Press Defense Cuts," *Washington Post*, 18 October 1991, B1, B4; McNamara (1992); and Ball (1992).

³⁶ On the new multilateralism, see Ruggie (1993).

³⁷ On how the institutional setting can favor the emergence of some coalitions over others, see Snyder (1991).

institutions—since 1989—to address the specific issue of military expenditures as part of economic conditionality packages is an important precedent. Other, even more direct intervention measures can also be designed, such as deducting the estimated budget of rogue agencies or suspect programs from IMF loans, a step that liberalizing agencies would welcome even if they must present it to their publics as externally-imposed.

Not all fence-sitters are equally sensitive to disbursements from international financial institutions, but most (including North Korea) would prefer not to forego access to an important source of capital.⁴¹ For some, like India—for which the IMF approved close to \$6 billion in standby funds in a single year (1981)—the amounts involved are not token alms. Direct positive inducements (preferential treatment when denuclearizing efforts are under way) ought to be considered as well.

The original mandate of the World Bank to promote economic development and reconstruction of war-torn areas makes it an ideal candidate for playing a role in efforts to combat both poverty and nuclearization. India has been the largest recipient of loans from the International Development Association (a World Bank institution), accounting for 41 percent of disbursements through 1982.⁴² The World Bank could contemplate creative ways to condition loans on steps towards denuclearization, by targeting the right bureaucratic agencies. For instance, in the 1980s the Bank threatened to withdraw funding for Brazil's state utility Eletrobras because the agency inherited the management of Brazil's nuclear power plants. Brazil had continuously refused to join the NPT, but its recent agreements with Argentina are a clear message that both countries are ready to leave behind a history of unclear nuclear intentions. In another area, the World Bank has recently postponed a planned loan package to Croatia in light of its government's repression of the press. Surely the pretense that international financial institutions are precluded from intervening in the domestic political affairs of recipients is losing ground. The implications of these trends support Senator Biden's contention that "our national security is

put more at risk by failing to fund the World Bank than by not buying another Seawolf sub."⁴³

Regional banks can be entrusted, at least in some cases, with formulating specific directives linking loans to reduced military expenditures and to greater accountability of nuclear agencies. The Asian Development Bank seems an ideal candidate because the dominant countries in the region—Japan, Australia, and New Zealand—all share good credentials for having renounced nuclear weapons in spite of their obvious technical capacity to produce them. This Bank could thus play a role in providing financial reassurance to North Korean leaders fearful of change and suspicious of US-dominated institutions. Another regional bank, the new European Bank of Reconstruction and Development, has broken new ground in tying recipients to certain norms of behavior, including the upholding of democratic values, nuclear safety, and human rights.⁴⁴ These conditions, as argued, empower domestic groups to become custodians of such international bargains.

It is no longer inconceivable to design a global campaign that would condition economic exchanges on total transparency of military budgets and effective commitments to abjure weapons of mass destruction. In the past, some sub-national groups recommended such linkages directly to transnational private groups. For instance, in 1989 the Federation of American Scientists proposed that creditor banks in the U.S. link efforts at restructuring the foreign debt of Latin American countries to their formal commitment to renounce nuclear weapons. Regardless of its specific merits, this proposal points to new mechanisms for linking denuclearization with economic reconstruction. More recently, the Group of Seven (G-7) industrialized countries declared that they would condition aid to developing countries on those countries' "good behavior" in nuclear terms. The Maastricht Treaty commits member states to begin exploring specific joint initiatives to prevent nuclear proliferation.⁴⁵

The impact of these trends, actual and potential, should not be underestimated. Pakistani officials have openly acknowledged the effects

⁴¹ On North Korea's pressures to trade in hard currency, see Bracken (1993). On the intimate relationship between North Korea's nuclear postures on the one hand, and considerations of domestic economic reform on the other, see Hayes (1993).

⁴² Krasner (1985), 147.

⁴³ Quoted in the *New York Times*, 1 August 1992 (OpEd page).

⁴⁴ In August of 1993 the Bank discontinued negotiations with Croatia for a badly needed loan, in response to President Tudjman's repressive treatment of the opposition press.

⁴⁵ *PPNN Newsbrief* 20 (winter 1992), 3.

of a multilateral campaign (via conditions mandated by the IMF, the World Bank, and bilateral donors) to force their country to renounce nuclear weapons.⁴⁶ Fence-sitters' heightened sensitivity to these conditions stems from their implications for domestic political-economic reform strategies. Not all domestic groups respond to these direct linkages equally. Such pressures—in the form of sticks—threaten the institutional and political half-life of agencies and groups who try to exploit such linkages to garner nationalist support in resistance to the reforms. These are not restricted to Atomic Energy Commissions, but include political movements promoting nationalist, ethnic, and/or religious supremacy. However, for those whose interests lie in economic modernization and increased international competitiveness, external pressures operate in the desired direction, by inducing a contraction of unproductive and inflationary (military) expenditures.

It may be the case that nuclear policy per se has not so far played a major role in the way in which economic actors consciously strategize their political moves. International institutions can raise awareness of the costs involved in ignoring the linkages between access to markets, capital and technology on the one hand, and nuclear postures on the other. Important segments of the business community (and many a central bank) are as 'naturally' allied to nonproliferation efforts as peace movements.⁴⁷ Coalitions favoring steps toward denuclearization should be rewarded with a variety of trade benefits, investments, selective removal from export control lists, debt-relief, and the like. However, side-payments for cooperative regional postures must reach more than the narrow industrial and commercial interests that often sustain these coalitions.

International institutions may play a particularly important role in providing incentives for the national scientific and technical communities to throw in their lot with liberalizing and denuclearizing coalitions. Important segments in this community could have an affinity for such efforts, either because of ideological commitment to non-nuclear solutions or because they

are employed by sectors that benefit from liberalization. Further, trends in global investment do point to increased reliance on qualified scientists and engineers from industrializing countries (and from the former Soviet bloc). However, vast numbers of scientists and technologists in countries like India, Brazil, and Argentina remain marginalized from industrial activities and poorly rewarded for teaching and research activities. It is not hard to understand the strong support of the Iraqi scientific community for a nuclear program that saved 20,000 people from occupational oblivion.

Market reforms may provide the most effective means of integrating this community into productive activities, but the transition requires effective international efforts to support more than token scientific and industrial research in these countries (such as through UNESCO). One possibility is a multilateral effort to grant international institutional and private support for the creation of regional science and technology centers. A portion of center activities might involve private contracts with industrial firms in the region, and therefore the possibility of a self-sustaining enterprise. International groups active on environmental issues may find this an effective way to fight two evils—military-oriented research and environmental degradation—with a single program supporting environmental research.

The attempt to disaggregate states' constituencies and identify the effective targets of international measures is particularly important in light of lessons learned from recent applications of economic sanctions. Treating the state as a black-box monolithic target of punishment through widespread economic sanctions, blockades, and denying of membership in international institutions often helps uncompromising leaders coalesce national opposition against those applying the sanctions (as most recently in Iraq and Serbia).

This is particularly the case when sanctions affect a wide range of constituencies in a particularly harsh manner. 'Teflon' authoritarian coalitions and personal dictatorships distribute the burden of sanctions on the most vulnerable, leaving the regime's resources fairly intact. Saddam Hussein's shifting of the costs of adjustment to the weak and to political challengers (Kurds and Marshland Iraqis) is a textbook case. Major beneficiaries of widespread sanctions are black markets profiteers (state and private), and those who monopolize the means of coercion (state and private). The two groups are often closely

⁴⁶ *The Herald* (August 1991), 111-13.

⁴⁷ The concentrated costs of sanctions on South Africa were born by financial groups and those dependent on international investment. The predominantly English-speaking sector of the white business community thus became an ally of political reform against the Afrikaner-run government (Eland 1993).

related. The ensuing erosion of social trust may not be a good foundation on which to build a democratic society at home: one willing to commit to international reciprocity, including zones free of weapons of mass destruction.⁴⁸

The success of economic sanctions is not merely determined by tight multilateral compliance, but contingent on whether sanctions empower the right domestic alternative to the punished policies, or weaken those who uphold the banned behavior. Freezing the personal bank accounts of Haiti's unlawful rulers and their supporters in the business community may be far more effective than further depriving Haiti's poor.⁴⁹ Deepening hunger and deprivation among Iraqi and North Korean citizens is neither humane nor encouraging of successful popular uprisings. Allowing Iraq to resume oil exports, while depriving state agencies from controlling the distribution of revenues, is a more clever policy. Targeting the Mukhabarat quarters in Iraq and similar centers of repression makes it much harder for a regime like Saddam Hussein's to coalesce domestic support behind it. Deducting Israel's loan guarantees by the amount spent on the occupied territories helped the Labor-Meretz coalition unveil the consequences of Likud's policies in a very concrete and ultimately effective way. The example of South Africa is also illustrative of the options that might be pursued in using sanctions in the context of nonproliferation. Negative sanctions here were particularly effective because of the tension between liberalizing interests in the economic arena, and the ruling coalition's rejection of other international efforts to secure human rights and nonproliferation commitments. Domestic groups supportive of different elements in the international agreements basket were thus able to coalesce a more formidable opposition to Apartheid that included important segments of the financial and industrial community.

International inducements (positive and negative) can also be used by liberalizing coalitions to overrun areas of public policy that have remained traditionally outside their control. Nuclear programs in India and Pakistan have been, *de facto* if not *de jure*, accountable only to

autonomous bureaucracies or to the military (as was the case in Brazil and Argentina until very recently). The economic and political costs of this bureaucratic autonomy can and must be made more evident.

Economic inducements are too quickly dismissed by those who interpret the pursuit of nuclear weapons among fence-sitters as completely removed from any other but national security considerations. Moreover, the revival of ethnic and religious allegiances in those countries adds new layers of concern about the effectiveness of such inducements and about the power of 'irrational' social forces to fuel nuclearization. Yet, the jury is still out on whether or not the emergence of nationalism and confessional strife will wipe out the pursuit of material welfare. This debate has clear implications for the kinds of nonproliferation objectives and means the international community might cultivate. Despite most bets to the contrary (prior to September 1993), the Palestinian-Israeli agreement points to a ripeness in both camps for seeking shared benefits and for the joint pursuit of economic reconstruction.

Indirect Effects: The Paradox of Conditionality Arrangements

International economic institutions can also exert (unintended) indirect impact on the domestic array of forces that play a role in the debate over denuclearization. In many cases, contrary to original intent, the net effect of international institutional pressures to transform the domestic economy of industrializing (and formerly centrally-planned) countries is to politically weaken the allies of economic liberalization.

Stabilization programs often lead to recessions and reduced public investments in infrastructure, while trade liberalization exacerbates unemployment. Food riots in Egypt, Sudan, and Morocco followed the reduction of staple subsidies (as did the latest Russian coup). This phenomenon is not new; events in Poland, Russia, and Greece may be a fresh reminder of their potential consequences.

Among fence-sitters, nonproliferation efforts may be a collateral casualty of such pressures, insofar as those pressures weaken coalitions that are more receptive to denuclearization. Bluntly, when improperly designed, IMF-style conditionality arrangements can backfire and result in negative security externalities. Although they do strengthen, in the short term, the power of agencies in charge of economic reform, the latter's

⁴⁸ On social trust and sanctions in Iraq see Reuther (1993). On trust, solidarity, tolerance and effective political institutions see Putnam (1993).

⁴⁹ Unfortunately, the wave of sanctions of May 1994 calculated wrongfully who the targets should be, sparing the most powerful economic supporters of Haiti's dictatorship from punishment.

legitimacy eventually wanes as a result of shock-style implementation. Conditionality thus ends up strengthening domestic forces and institutions that offer an alternative, if unreal, solution to the predicaments of economic transition. For instance, surveys reveal that in Poland, parliament and the government enjoyed greatest citizen confidence before the reforms; the army, the police, and the Church, after.⁵⁰

One solution to this dilemma might be to require recipients (or prospective recipients) of loans, investments, and trade benefits, to uphold certain targets in health, education, and welfare reform and expenditures. This is normatively desirable, economically sound, and politically cost-effective.⁵¹ Demanding minimal levels of performance along these socio-economic criteria forces adjustments in public policy, leaving fewer resources for military and ancillary (including nuclear) activities. As Williamson (1987:9) argues, “the macroeconomic impact will be much the same whether a reduction in public expenditure is achieved by cutting food subsidies or military spending, but the distributional impact is quite different.” In making such amends, the IMF and the World Bank can return to their true call by lending for economic development, stabilization, and recovery, rather than to help debtors pay their debts to big banks.⁵² Big private banks will thus be forced to share in the burden of maintaining international security, a public good from which they benefit far more than they are willing to contribute. Left to their own designs, private banks and investment firms would not be expected to play any affirmative role in this area. However, to the extent that the increased risk posed by the prospects of nuclearization deters them from pouring resources

into unstable regions, they would by omission exert considerable influence. There are curious twists indeed to the operation of the ‘invisible hand!’

Of course, international institutions are only part of the story. In the final analysis, domestic coalitions choose for themselves what kind of economic reform to implement.⁵³ Egypt, for example, has not been very successful in translating the economic opportunities (debt reduction, grants) gained by virtue of the important role the country plays in organizing regional cooperation (both during the Gulf War and generally in the Arab-

Israeli conflict) into a more equitable and efficient economic performance.⁵⁴ Although Egypt has pioneered peace proposals in the region since the 1970s (including its own denuclearization), there are some fears that a takeover by radical Islamic forces imbued with Iranian, Sudanese and Afghani worldviews might undo much of the progress achieved in the realm of regional security.

The political appeal of these fundamentalist alternatives to liberalism in the Middle East grows out of their strategy of tackling, in a very direct way, the symptoms (albeit not the sources) of poverty and alienation. Islamic groups organize separate health and educational networks and respond to earthquakes and disaster without delay. Unless liberalizing coalitions heed the successes of such grassroots actions and broaden the beneficiaries of economic reform, their prospects for continued power may be jeopardized. And what if they fail to do so? With them might fall the prospects for peace settlements and zones free of weapons of mass destruction. The behavior of the two Islamic republics in existence (Iran and Sudan) provides a discouraging point of reference regarding the consequences of such failure for regional security. These two real cases speak more forcefully for policymaking purposes than potentially benign but hypothetical counterexamples. Yet, there are a variety of Islamic perspectives and one should not exclude the possibility that international institutions might help tame extreme views and coalesce a form of Islamic liberalism.⁵⁵ Moreover, the notion of a unified Islamic menace is not supported by evi-

⁵⁰ On this and other negative effects of neoliberal economic reform on democratic institutions, and on the flimsy knowledge on which the neoliberal program of international economic agencies relies, see Przeworski (1992).

⁵¹ On the positive effects of mobilizing public savings and of income equality, education, and welfare on economic growth, see Przeworski (1992). Iran’s military expenditures as a percentage of its GNP are four times higher than what it spends in health and education; Iraq’s are over seven times higher; Pakistan’s are three times as high. Israel and India have more balanced ratios (McNamara 1992), 123.

⁵² On the collusion between IMF officials and the big private banks see Sachs (1989). The IMF, of course, is in many ways an agent of states represented on its Executive Board (von Furstenberg 1987); therefore, any changes in lending trajectories require approval from the Fund’s principals.

⁵³ In some cases World Bank poverty-reducing programs have encountered domestic opposition by local officials (Krasner 1985), 148.

⁵⁴ On criticism of the regime’s economic record, see the statement by Tahseen Bashir, in Reed (1993), 104.

⁵⁵ On Islamic liberalism see Binder (1988).

dence, nor is it useful in deflating the myth-making potential of the radical Islamic fringes.⁵⁶

That is the paradox of conditionality for nonproliferation: when applied ruthlessly, without regard for the size and depth of its casualties, conditional international institutional aid designed to re-engineer domestic economies may sow the seeds that will unseat liberalizing coalitions who tend to support such economic reform and thus define their interests on the side of regional cooperation and denuclearization. Worse, such backlash may work to broaden, rather than narrow, the number of fence-sitters. That is, countries that seem safely committed to nonproliferation may in some cases become subject to unorthodox pressures to reverse such commitments. The more broadly the benefits of economic liberalization are cast, the less likely weeds choking nonproliferation policies will be to find fertile ground. Conversely, using tactics of “reverse conditionality,” liberalizing coalitions can use threats from nationalists and fundamentalists to extract concessions from their international partners and strip away conditions on continued credit and investment. Ukraine is a prime example of how this reverse conditionality might be used in the context of nonproliferation.⁵⁷ At the same time, by blaming external requirements, liberalizing coalitions can continue to use the IMF as a lightning rod to deflect critiques of their self-interested pursuit of demilitarization.

Democratization and the Importance of Persuasion

The explosion of democratization offers a unique opportunity for the international community to reach domestic groups favoring denuclearization. In his landmark anatomy of the interaction between domestic and international politics, Putnam argued that “given the pervasive uncertainty that surrounds many international issues, messages from abroad can change minds, move the undecided, and hearten those in the domestic minority.”⁵⁸ The more democratic the state sitting on the fence, the more should per-

suasion and inducements—rather than sticks—be used, allowing the marketplace of ideas and interests to effect changes. It is critical not to create a security liability by pressuring democratic systems in regions where democracies confront mostly authoritarian adversaries. Promoting domestic allies of denuclearization in authoritarian states such as Iraq, North Korea, or Libya is much harder; but even there this could be increasingly much less so than in the past.

The more democratic the state sitting on the Democratization—with its implication of transparency—also allows a more accurate gauging of the domestic debate. The international community is today far better equipped to estimate public opinion in these countries, through publicized interviews with representative figures, legislative debates, and public polls. More of these should be conducted and promoted. The ability of negotiators from fence-sitting countries to use domestic constraints to resist concessions or to claim “involuntary defections” in the nuclear sphere might thus be further limited. The battle for minds over the nuclear issue, perhaps embryonic among fence-sitters, will draw new constituencies while becoming ever more permeable to external influences. Ukrainian leaders may find it hard to avoid joining the NPT in light of reported overwhelming public support for a non-nuclear-weapon status.

The ultimate nonproliferation windfall of the transparency and public debate fostered by democratization can be the consolidation of domestic groups that help verify compliance with international agreements—an old idea now ripening. Domestic compliance verification can become a valuable complement to international technical monitoring. It will require that monitoring citizen groups be provided with direct access to an international enforcing authority, and that their right to such access be protected in international agreements themselves.⁵⁹ Similar groups are already active in the environmental and human rights arenas. This phenomenon is, of course, anathema to authoritarian regimes, who often maintain themselves in power by forbidding the formation of independent citizen groups—much less the delegation of power-monitoring to such groups. In such cases, as in Iraq, a few scientists with access to privileged information have been able to fulfill functions of domestic nuclear nonproliferation verification—but only through emigration. (In response, the Iraqi regime assassinated several Iraqi sci-

⁵⁶ On the heated public debate over this question see, for instance, Hadar (1993) and Miller (1993).

⁵⁷ On Brazil’s Foreign Minister Francisco Rezek statement that if the U.S. asked the Brazilian government to stop conducting nuclear research, Brazil would do so provided that it received something in exchange, see *O Globo* March 21:7.

⁵⁸ Putnam (1988), 455.

⁵⁹ On “societal verification” see Rothblat (1992).

tists to deter further leaks of information about the Iraqi nuclear policy.) The importance of heroic whistle-blowers is also evident from the case of Vil Mirzayanov, the Russian scientist who had first-hand knowledge of his country's continued involvement in chemical weapons production.

Nonproliferation NGOs: Youngest Sisters in a Growing Sorority

Transnational non-governmental organizations (NGOs) concerned with the dangers of nuclear proliferation (for a list, see footnote 61) can influence fence-sitters' domestic debates. They are freer to play the games of domestic politics than international institutions, and in some cases, are less tainted in the eyes of those groups which see nothing but neocolonial schemes behind any international initiative.

NGOs that consistently oppose nuclearization (by small states and big powers alike); that are not state-funded; and that attempt to create a truly transnational movement towards banning all weapons of mass destruction are best-suited to support liberalizing and denuclearizing coalitions: they make it harder for the opposition in target countries to allege a Northern conspiracy and to discredit liberalization and its supporters. The legitimacy of such NGOs among fence-sitters' constituencies stems from these NGOs' rejection of the double standards embedded in the non-proliferation treaty (NPT) bargain.

The creation of a stronger, perhaps more formal, transnational institutional network among NGOs would be an important pillar of the nonproliferation effort.⁶⁰ It is interesting to note

⁶⁰ The Northern groups primarily concerned with nonproliferation, varying in their emphasis on research, educational, and other activities, include the Programme for the Promotion of Nuclear Nonproliferation (based on Southampton, U.K.), the Pugwash Conference on Science and World Affairs, SIPRI (Stockholm, Sweden), Greenpeace, VERTIG (London), International Physicians for the Prevention of Nuclear War, the International Institute of Strategic Studies (London), Peace Research Institute (Frankfurt), and, in the U.S., the Henry L. Stimson Center (Washington, D.C.), the Monterey Institute of International Studies, Non-Governmental Committee on Disarmament (New York), Natural Resources Defense Council, Federation of American Scientists, Nuclear Control Institute, Wisconsin Project on Nuclear Arms Control, Carnegie Endowment Program on nonproliferation, Arms Control Association, British American Security Information Council, Institute for Science and International Security, and Washington Council on Non-proliferation. A number of additional, very

that, until very recently, a strong intergovernmental nonproliferation regime coexisted with a limited number of associated NGOs, while conversely a strong network of NGOs supported relatively weak inter-governmental organizations (IGOs) in areas such as human rights and the environment. Only a handful of NGOs attended the 1990 NPT review conference (about 10), while over 2,000 NGOs participated in the 1993 Vienna Conference on Human Rights.⁶¹

NGOs are an ideal mechanism for strengthening their counterparts in sensitive regions of the world, through increased contacts and sharing of data and experience. They can help mobilize ancillary groups (active in human rights, environmental, health, and refugee issues), where local nonproliferation movements are relatively weak. They can influence the domestic coalitional balance and help mobilize public opinion through an educational campaign on the costs of fence-sitting.⁶² Such a campaign could:

1) Show the direct domestic and international costs of nuclear programs: in budgetary terms; in blemished reputations; in questionable security; and in the domestic distribution of vulnerability to international sanctions/positive inducements;

2) Point out the domestic and international opportunity costs of nuclear programs: in lost resources for health, education and welfare; in foregone loans, investments, and technology; and in missed chances for regional cooperation;

3) Advance the utility of ideas like "common security," including how alleviating an adversary's concern with security can result in one's own improved security;

effective nonproliferation NGOs have sprung up more recently.

⁶¹ On NGOs in human rights see Sikkink (1993).

⁶² For a refreshing perspective that helps debunk the conventional wisdom—but a dangerous myth nonetheless—that nuclear weapons are cheap, see Miller (1993). Zulfikar Ali Bhutto, who fathered Pakistan's nuclear program in the early 1970s, declared that Pakistan would acquire a nuclear bomb even if this required Pakistanis to "eat grass." This is now more of a reality than a threat, both in India and Pakistan. The acquisition of nuclear weapons is never capped with a minimal deterrent, as advocates of the stabilizing impact of nuclear weapons throughout the regions argue. The historical evidence so far, particularly in the U.S.-Soviet context, shows that nuclear weapons development unleashes expensive arms races, redundancy, barroqueness, and potential economic collapse. It is important to unveil and target, as early as possible, the political and bureaucratic forces that back such costly technological juggernauts.

4) Debunk the myth that nuclear technology in the industrializing world leads to extensive industrial-technological spin-offs,⁶³

5) Popularize the lessons from vertical proliferation among great powers, including the relationship between nuclear riches and impoverished welfare and competitiveness.⁶⁴

NGOs should not be thought useful merely in terms of “privatizing” the task of supporting nonproliferation coalitions. They can also become an invaluable political instrument of such coalitions, by pressing for international concessions. The lessons from South Africa are relevant. International allies of the domestic opposition to apartheid were very effective in pressuring the Security Council and other multilateral fora to implement the anti-apartheid objectives of South Africa’s opposition. NGOs could be equally effective in backing coalitions favorably disposed to denuclearizing regions.

Conclusions

The emerging international order, particularly the expansion of democracy and economic liberalization, creates new opportunities for multilateral action to affect the domestic contexts that ultimately determine regional nuclear policies. Political democratization challenges the conditions that allowed nuclear programs to exist beyond public scrutiny by the media, political parties, and interest groups. This is one of the lessons learned from Argentina and Brazil in the 1980s.⁶⁵ Economic liberalization may be no less a powerful engine than democratization for promoting regional nuclear cooperation. Strategies that integrate domestic economic sectors with the world economy create powerful constituencies

unwilling to bear the economic consequences of sitting on the nuclear fence.

The emerging international order creates new opportunities for multilateral action to affect the domestic politics that ultimately determine regional nuclear policies.

International institutions and NGOs can drive home the connections between economic futures and nuclear policies, and make clear the economic consequences of different mixes of these. Domesticating the nonproliferation debate means making it an important subject of contention among political coalitions vying for power in fence-sitting states. In many industrializing states (as well as the former command economies) the basic cleavages often boil down to two coalitions: one favoring economic liberalization (and an internationalizing strategy); the other opposing it. Because of the potential political and economic windfalls (both domestic and international) of denuclearization, many liberalizing coalitions are more receptive to that option than are their challengers. When placing economic pressure on fence-sitters to denuclearize, international institutions must take care not to impose heavy burdens on liberalizing coalitions (for instance through orthodox conditionality arrangements) lest these provoke “involuntary defection”—inability of the coalitions to pursue regional denuclearization due to domestic political considerations.

Because nuclear weapons are easily marshaled for nationalistic and other myth-making, political parties or movements among fence-sitters are often hesitant to risk an open public campaign unveiling the real costs of nuclear weapons (witness Benazir Bhutto’s statements after assuming power in October 1993). This omission creates a tacit impression of bipartisan consensus backing the nuclear option. It takes a courageous leadership—even a leap of faith—to spell out the economic costs and potential strategic futility of technological escalation in modern weaponry.

Such leaps, if rare, are not entirely unprecedented in international life—nor have they proven to be politically suicidal. For one, Israel’s Labor-led coalition won the 1992 elections on a platform stressing the high costs of investments to maintain the occupied territories and of Likud’s pursuit of counterproductive nationalist myths. Moreover, Labor’s potentially risky recognition of the PLO strengthened, rather than weakened its popular support, at least initially. The jury is still out on how the peace process will bear on electoral outcomes, but it is impor-

⁶³ For a systematic analysis of spinoffs from Brazil’s and Argentina’s nuclear industries, see Solingen (1995).

⁶⁴ In discussing strategies to control nuclear proliferation, Hoffman argued in 1978 that time must be used “in such a way that economic power, the goal of many states, becomes dissociated from nuclear power status; i.e., that the example of Bonn and Tokyo, not that of Paris and Delhi, prevail.” Fifteen years later, and in light of the experiences of South Korea and Taiwan, time seems to have worked very much in that direction.

⁶⁵ This effect should not be construed as necessarily supporting the hypothesis that democratic regimes are either necessary or sufficient for cooperative regional nuclear arrangements. For a more rigorous analysis of this relationship see Solingen (1994b).

tant to remember that policies backing away from conflict and moving toward cooperation can become a political asset, rather than a liability.

Knowledge about domestic politics can help the international community design more effective bargaining strategies and construct rational policies that take into account the new age of fundamentalism. Economic disarray and the unresolved poverty and environmental dilemmas of the new world order—not religious spirituality—provide the political basis of Islamic, Hindu and other militant movements that are more likely to rely on mystical solutions to regional problems.

An awareness of the domestic context may also help the international community formulate better strategies towards rogue states—like North Korea and China—that play an accessory role in the nuclearization of regions.⁶⁶ Internalizing the domestic distribution of costs and benefits into the calculus of economic sanctions may not be simple, but it is surely worth trying. The alternative is not merely questionable in ethical terms, but mostly inefficient and sometimes counterproductive.

It would be wrong to read this argument advocating an expanded multilateral institutional role in promoting effective commitment to non-proliferation as a call for great-power exertion to disarm regional nuclear powers, for the following reasons:

First, to the extent that international institutions continue to be regarded as an instrument of control of the less powerful, their legitimacy will erode. Integrating developing countries (the vast majority of which are NPT signatories!) in the design of new institutional procedures may legitimate those procedures, and make them more effective. In fact, such steps would render global multilateralism compatible with domestic trends toward democratization, liberalization, and decentralization.

Second, it is important not to stall in reaching a Comprehensive Test Ban, implementing Article VI of the Nonproliferation Treaty, and reducing nuclear arsenals effectively.⁶⁷ Robert McNamara's (1993) "Nobody Needs Nukes" argument is one of the most persuasive allies of

domestic coalitions receptive to regional compromises. Domestic reform and economic conversion among current nuclear powers also have a powerful demonstration effect. They strengthen the hand of liberalizing coalitions now able to point to a secular historical process of denuclearization engulfing North and South alike.

The general recommendations of this paper aim to transform, on a medium and long-term basis, the domestic political conditions that contribute to proliferation in the first place. Such conditions are now more pronounced in closed, repressive states like Iran, Iraq, Libya, and North Korea, but could come to characterize others (perhaps Sudan, Islamic Algeria, or Afghanistan) if a passive and permissive post-Cold War order prevails.

No non-proliferation strategy (not negotiations; not diplomatic or economic sanctions; not military strikes) can yield flawless immediate results or guarantee absolute compliance. And in extreme cases, where political and economic means of persuasion have failed, and where potential use of nuclear weapons is real, forceful intervention as with the UNSCOM in Iraq might still be required. Therefore, my four policy recommendations:

1. to design multilateral economic mechanisms sensitive to the domestic targets of sanctions and inducements;
2. to evaluate the indirect effects of IMF-type conditionality arrangements for nuclear postures in specific instances;
3. to promote supportive nonproliferation constituencies through the democratic process; and
4. to consider the important role that credible nonproliferation NGOs can play in this effort,

are complementary to other efforts, including no-first-use commitments by nuclear powers, a ban on the production of highly enriched uranium and plutonium, and security assurances both negative and positive.⁶⁸

⁶⁶ North Korea provides the toughest challenge for a policy sensitive to the domestic balance of forces because of its highly secretive, closed, and personalistic regime. See Bracken (1993).

⁶⁷ On superpower obligations under Article VI of the NPT see Scheinman (1987).

⁶⁸ Some of these measures are discussed in Bundy et al. (1993). Unfortunately for nonproliferation efforts, applying sanctions on states unwilling to clamp down on sensitive exports by their private firms does not seem very practical. Most Western countries (which comprise the most fragrant violators) would oppose them. Germany's behavior in this area dwarfs the transgressions of all other countries (Jehl 1993).

But these recommendations—along with other measures—will help coalitions in India, Pakistan, or Iran sell effective commitment to the non-proliferation side of the fence at home. Under current transitional, volatile circumstances of global political and economic change, no avenue for stemming the proliferation of nuclear weapons should be spared—and especially not avenues which hold out such promise for not only attaining formal, but building effective commitment to nuclear non-proliferation over the long-term.

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