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SPECIAL REPORT

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IRAQ AND ITS NEIGHBORS

Scott Lasensky

Jordan and Iraq

Between Cooperation and Crisis

PURDUE UNIVERSITY
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Summary

- Jordan wants a strong, stable, moderate, and unified Iraq. Having wrestled with the dilemmas of an assertive Iraq for many years, Jordan—like Iraq's other neighbors—now faces a myriad of challenges presented by a weak Iraq. The kingdom, for years a linchpin in the U.S. strategy to promote peace and stability in the region, is now less secure in the wake of the U.S.-led occupation of Iraq. Jordanian leaders worry that Iraq is becoming a haven for terrorist groups, a fear dramatically heightened by the November 2005 suicide bombings in Amman. Jordan also has an interest in the development of an Iraq that does not inspire radical Islamist politics in Jordan. Moreover, the kingdom is anxious about growing Iranian involvement in Iraqi politics, and—more broadly—increasing Iranian and Shiite influence in the region.
- Despite periodic crises of confidence and lingering Iraqi resentment over Jordan's close ties with Saddam Hussein, the two countries have managed to forge deep ties; in fact, Jordan has taken the lead among Arab states. In the face of repeated attacks and threats, Jordan has maintained a strong diplomatic presence in Baghdad. The kingdom has also played a positive, if modest, role in stabilization and reconstruction efforts.
- The economic impact of the Iraq crisis in Jordan has been mixed. Jordan has benefited greatly from serving as a "gateway" to Iraq for governments, aid workers, contractors, and businesspeople; its real estate and banking sectors are booming, and it stands to reap more benefits from increased trade and transport should the situation in Iraq improve. However, with the fall of Saddam Hussein, Jordan lost the sizable oil subsidies and customary shipments it received from Iraq. One of Jordan's principal economic interests in the new Iraq is securing future energy assistance.

About the Report

Iraq's neighbors are playing a major role—both positive and negative—in the stabilization and reconstruction of "the new Iraq." As part of the Institute's "Iraq and Its Neighbors" initiative, a group of leading specialists on the geopolitics of the region is assessing the interests and influence of the countries surrounding Iraq and the impact on U.S. bilateral relations with these countries. The Institute is also sponsoring dialogue between Iraqi national security and foreign policy officials and their counterparts from the neighboring countries. Scott Lasensky's report on Jordan is the fourth in a series of special reports by the U.S. Institute of Peace on "Iraq and Its Neighbors." Jon Alterman's report on Kuwait and the Gulf States and Steve Simon's study on Syria will be published in the coming months. Peter Partiotis is the editor of the series. For more information about the "Iraq and Its Neighbors" project, go to http://www.usip.org/iraq/neighbors/index.html.

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The views expressed in this report do not necessarily reflect the views of the United States Institute of Peace, which does not advocate specific policy positions.

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over its borders. On this score, Jordan's fears are also America's concerns. Previous plots have been aimed at both Jordanian and American targets in the kingdom. The 2002 assassination of U.S. diplomat Lawrence Foley in Amman was intended as a strike against both countries.

Unlike the case with some other neighbors, there are no past or present unresolved territorial questions between Jordan and Iraq. Nor does the kingdom seek influence over a particular region or political group in Iraq. "The preservation of [Iraq's] unity and stability is an obligation of all the neighbors," said former foreign minister Marwan Muasher, adding that democracy will not bring stability to Iraq unless it is "coupled with respect for minority rights."[9] Sunni-dominated Jordan is anxious about the future of the Sunni minority in Iraq and has consistently and publicly advised the U.S. to take further steps to ensure that the Sunni community does not feel threatened. Jordan did not support the Sunni boycott of the January 2005 Iraqi elections, but the kingdom does lend its voice to support the complaints of Iraqi Sunnis that they are being marginalized.

Jordan fears instability and violence to its east. This may explain King Abdullah's comment in mid-2004 that post-Saddam Iraq could use a strongman. "I would say that the profile [of a leader for post-Saddam Iraq] would be somebody from inside, somebody who's very strong . . . somebody with a military background who has experience of being a tough guy."[10] Since the January 2005 election, the king has not repeated this position in public, but worsening violence in Iraq has certainly reinforced the view among Jordanians.

Iranian influence in Iraq is another top worry for Jordan: Anxiety about Iran is common both within official circles and among critics of the government. This fear relates to the larger Arab-Iranian and Sunni-Shia divides in the region, Jordan's own fears about political Islam, Iran's post-1979 attempts to export its Islamic revolution, and Iran's continued support for Palestinian rejectionist groups, like Hamas, that pose a challenge to Jordan's peace with Israel.

Anxiety about Iran may explain the king's oft-quoted warning of a new crescent of Shia influence that could destabilize the region and alter the balance of power. "Even Saudi Arabia is not immune," said Abdullah, ". . . [from] the possibility of a Shiite-Sunni conflict . . . out of the borders of Iraq."[11] Abdullah has reportedly raised the specter of a widening arc of Shia power in discussions with American leaders, though he has toned down such rhetoric in public after it elicited hostile reactions from the new Iraqi leadership and from Iran.

Domestic Politics: Keeping the Peace at Home

Jordan's interest in a stable Iraq relates not only to traditional national security concerns but also to internal dynamics. Jordan, perennially anxious about instability and turbulence on its borders, also needs to avoid a situation where events in Iraq might upset the delicate balance of political, social, and economic forces at home. Because of its high Palestinian population (50–70 percent by various independent estimates), and with anti-American sentiment particularly high among Palestinians, Jordan has had to contend with a large, restive internal constituency that opposed the removal of Saddam and "wants to see the Americans suffer" in Iraq, in the words of a former advisor to the late King Hussein.[12] In many respects, the Palestinian factor—both the situation west of the Jordan River and the role of Palestinians within Jordan—looms larger than Iraq. The same can be said for Islamism in Jordan. The Hamas victory in the 2006 Palestinian elections resonates far more strongly in Jordanian politics than does Iraqi Islamist politics. To be sure, from a security perspective the Jordanian regime worries about Zarqawi-style Salafist radicalism emanating from Iraq, but politically Hamas poses a much greater challenge—to Jordan's peace with Israel and to the balance between secular and religious forces at home.

In response to unrest and opposition activity directed at both foreign and domestic policy, the king has taken a variety of heavy-handed measures at home. Following public

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JORDAN'S ECONOMY 2000–2007

Year	GDP (in $ billions)	GDP % growth
2000	8.4	4.2
2001	8.9	4.2
2002	9.6	5
2003	10.2	3.2
2004	11.5	6
2005	12.9	6.1
2006 (est.)		5.7
2007 (est.)		5.1

Source: Economist Intelligence Unit, *Country Report: Jordan*, various years

to Jordan, and some Jordanian firms were essentially given monopolies. Exports to Iraq reached $420 million in 2001, nearly a quarter of Jordan's exports.[17] The system amounted to an annual grant, in real terms, of approximately $400–600 million a year.[18] According to some estimates, the benefit was even higher—$500 million to $1 billion annually.[19]

In the post-Saddam era, Jordan has been able to secure its oil needs from Saudi Arabia, Kuwait, and the United Arab Emirates—quite a turn of events considering the chilly relations after the 1990–91 Gulf War. Throughout 2004, Saudi Arabia remained the principal guarantor of Jordan's oil needs, supplying 50,000 barrels per day as a grant. Amman is trying to negotiate further short-term concessionary deals, but the generosity of the Gulf States is beginning to wane, and the prospect of an end to subsidized oil is real. The U.S. has encouraged the Gulf States to assist Jordan, but the negotiations have been managed largely by Jordanians on a bilateral level.[20]

The future of Jordan's oil supplies is the subject of debate among Jordanians. Some acknowledge that the Saddam-era benefits are a thing of the past. Jordan should not expect a future Iraqi government to restore the Saddam-era "deals." Moreover, it would be unrealistic to expect that the ongoing subsidies from the Gulf neighbors will continue indefinitely. "[T]his is not sustainable," Muasher has said regarding the high economic growth rates accruing from oil subsidies; pressed on the subject, he conceded that "we need to move to a situation where we can do it on our own."[21]

Yet although some Jordanians say the country will have to adjust to market forces, others see preferential energy benefits as an entitlement. In August 2006, Prime Minister Marouf Bakhit visited Baghdad and secured an Iraqi commitment to supply 10,000 barrels of oil per day at a slightly discounted price. If this arrangement holds it is more indicative of an easing of the strained relationship between Baghdad and Amman than a sign that the Saddam-era deals can be restored. With rising world energy prices, pressure is mounting on the government to further reduce fuel subsidies. Jordan's large current account deficit in 2006 stems largely from this "one-two punch" of high energy prices and diminishing energy assistance. By comparison, Jordan's position is the reverse of another small neighbor that has cooperated on post-Saddam Iraq—Kuwait. Increasingly, oil wealth has allowed Kuwait to weather the storm of the war and its aftermath.

So far, Jordan's worst-case fears about energy security have not materialized. Similarly, early concerns about the country's economic position have since faded. In the three years following the war, Jordan has enjoyed robust growth. Not only has Jordanian trade with Iraq remained strong, but also much of the Iraqi-Jordanian commercial relationship has now shifted to Jordan's private sector.[22] Furthermore, the "gateway" role that Jordan has played has done much to compensate for the drop in tourism. (Ironically, the "gateway" benefits are an outgrowth of continuing instability in Iraq.) Some Jordanian businesses have also expanded into neighboring states.[23] The "Iraq effect" is also creating a boom in Jordanian real estate, as Iraqis look for a safe haven and as more and more multinationals and NGOs base their Iraq operations out of Jordan. Even the used car market has been surging since the war. The kingdom's relaxed rules on financial transactions have also led to a surge in Iraqi assets in Jordan's growing banking sector, though the lack of transparency worries Iraqi and American authorities.

Trade with the U.S. has also helped Jordan offset its economic dependence on Iraq. Just several years after the 2001 ratification of the Jordan-U.S. Free Trade Agreement, Jordanian exports to the U.S. now top $1 billion annually—a fifty-fold increase compared to a decade ago. Jordan is also receiving increased foreign direct investment from the Arab world. Kuwait, which in the early 1990s treated Jordan like a pariah because of its pro-Iraq position in the 1990–91 Gulf War, is now the second-largest foreign investor in the kingdom behind France. Yet the rosy post-Saddam economic figures will not relieve all of Jordan's concerns; with nearly half its population under the age of 15, Jordan will need much stronger economic growth to provide jobs for its burgeoning workforce.

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Iraqis in Jordan

Like Syria and Iran, Jordan has played host to a large Iraqi expatriate community since the Iran-Iraq War. Although Syria and Iran were known as safe havens for Iraqi oppositionists, Jordan—which maintained strong ties with with Saddam Hussein—played host to a much less politically active Iraqi community: Iraqis in Jordan tended to be secular, mostly Sunni, and Arab nationalist in orientation, which fit well with Jordan's own national identity. Like Jordanians themselves, Iraqis in Jordan may not have favored Saddam Hussein but were staunch supporters of Iraq in its war with Iran. After Iraq's defeat in the 1990–91 Gulf War and the ensuing UN sanctions, the Iraqi expatriate community swelled to several hundred thousand. During much of the 1990s, Jordan was Iraq's principal outlet to the West.

In the post-Saddam period, Iraqis have flooded into Jordan in numbers that far exceed both the earlier population flows and the current movements of Iraqis into Syria and other neighboring countries. Accurate figures are hard to come by and estimates vary considerably. What is certain is that the numbers have grown steadily since the fall of Saddam Hussein, particularly since the outbreak of large-scale sectarian violence. In recent years, various sources put the figure anywhere between 450,000 and 800,000—possibly even as high as one million. In mid-2006, a senior Jordanian official cited the 800,000 figure, but stressed that the government tends to rely on low estimates. Several unofficial sources said the common assumption among the political elite in Jordan is that the Iraqi community numbers at least one million. Factoring in constant cross-border migration and repatriation, it is possible that several million Iraqis have spent at least some time in Jordan over the years.

Given Jordan's most recent population estimate of 5.9 million, the Iraqi refugee community amounts to a major human flood—and a possible threat. The community is mostly Sunni Arabs, who feel at home in Jordan (as in Syria), given their Arab nationalist perspective. Since the November 2005 Amman suicide bombings, however, Iraqis have grown increasingly unwelcome in Jordan. Not only are Iraqis becoming associated with violent, radical, jihadist Islam, but some economic tensions have emerged, from access to healthcare and affordable housing to employment and education. An unmistakable feature of the new Iraqi expatriate community in Jordan is the presence of a large segment of the Sunni Arab leadership, from ex-Baathist military elites to tribal leaders from Anbar province to Islamists groups like the Muslim Scholars Association.

Tensions aside, as the West's "gateway" to Iraq and the preferred destination for Iraqi expatriates, Jordan remains a critical link between Iraq, the region, and the international community.

Sources: Daniel L. Byman and Kenneth M. Pollack, "Carriers of Conflict," *The Atlantic Monthly*, November 2006; UN High Commissioner for Refugees; U.S. Committee for Refugees and Immigrants; World Factbook 2006

but planning has repeatedly been delayed. Jordan's international airport remains a critical air link for Iraq. Theoretically, Jordan could close these land and air routes and inflict damage on Iraq, but in light of Jordan's own political and economic vulnerabilities, such a scenario seems remote. In terms of experience on the ground, Jordanian businesses have an advantage over their counterparts from the other neighbors.

Religious, Cultural, and Humanitarian Links

Some Jordanians point to cross-border tribal and family connections with the Sunnis of western Iraq, citing these links as a source of influence, but this appears more imagined than real. Granted, there is a strong measure of Sunni solidarity between Jordan and the Iraqi Sunni community, but this falls short of the entrenched cross-border ties between the Kurds of Syria, Turkey, Iran, and Iraq; Iranian and Iraqi Shiites; or even the cross-border, tribal ties between Syria and Iraq, where the border is considerably longer and ties between populations are more deeply rooted. Moreover, even if Jordan could claim strong links, its ties with Washington would be a liability. "The strategic nature of American-Jordanian relations," writes a Jordanian analyst, "has not helped Amman win the confidence and support of broad sectors of Sunni Arabs dispersed among extremist fundamentalist and nationalist movements."[39]

Jordan has also tried to use its humanitarian efforts, like the field hospital in Falluja, to reach out to Iraqi Sunni leaders. But the political impact has been marginal at best.[40] Jordan may have ties with various strata of the Iraqi Sunni community, but it seems to enjoy little influence when it comes to mediating between Iraqi factions.

Expatriates

Jordan has played host to a large and ever-changing expatriate Iraqi community. During the 1990–91 Gulf War and the subsequent UN sanctions regime, Iraqi refugees swelled the population of Jordan by some 300,000–350,000, including members of Saddam Hussein's family.[41] In the aftermath of the U.S.-led coalition's invasion in 2003, the number of Iraqis in Jordan rose dramatically. In the post-Saddam period, various estimates put the figure anywhere between 450,000 and 800,000—possibly even as high as one million (see sidebar this page); the UN High Commissioner for Refugees puts the current figure at 700,000 (see graphic opposite page).[42] The Iraqi expatriate community is one way in which Jordan has tried to build bridges between Iraqi ethnic communities on both sides of the border and encourage Iraqi Sunnis to participate in the Iraqi political process. But the expatriate issue is also a source of tension: Iraqi leaders worry about a "brain drain," and Jordanian officials worry about a growing source of Islamist militancy streaming across the country's borders. Moreover, the Maliki government wants Jordan to extradite Saddam's eldest daughter, Raghad, who is accused of bankrolling the insurgency, but Jordan's decision to host her remains firm.

Iraq's Neighbors

Jordan has sought to expand its influence by acting as an organizer and convener of Iraq's neighbors, but it has a mixed record of success on this score. More often than not, when there is sufficient common cause to convene at a high level, larger powers vie for leadership. A November 2004 summit on Iraq was held in Egypt, not Jordan; before the war, Turkey played a more prominent role bringing together Iraq's neighbors. Jordan did host a January 2005 foreign ministers meeting ahead of the Iraqi elections, but the Iranian foreign minister stayed away in protest of the king's negative comments about Shia influence. Jordan also hosted three meetings of the World Economic Forum (2003, 2004, 2005), where Iraq-related diplomatic activity occurred on the sidelines; the meetings were also an early forum for Iraq's new leaders to interact with their regional and global coun-

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terparts. The kingdom also hosted an international donors conference in July 2005, where the neighbors and the international community discussed Iraqi aid.[43]

Compatibility with U.S. Interests—Present and Future

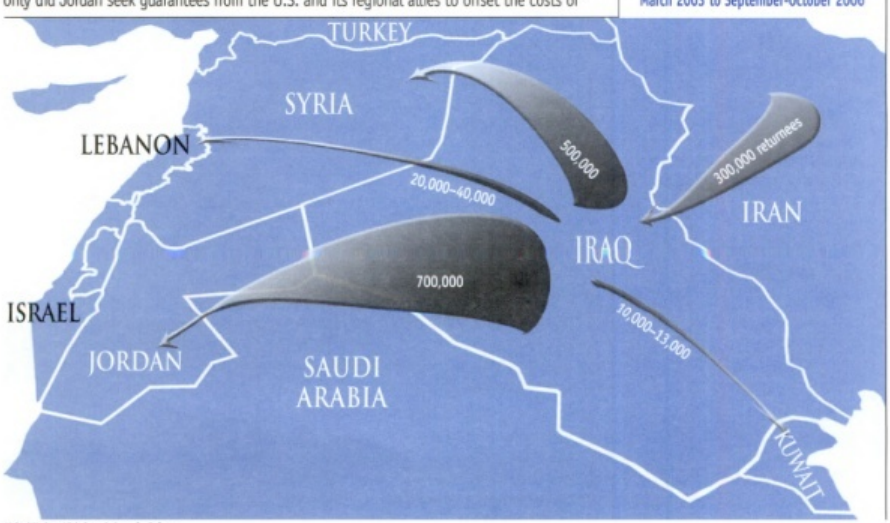
In practice, the Jordanian position on Iraq has been highly compatible with U.S. interests, and that foundation is firm. There is little chance Jordan will change course on Iraq or seek to disrupt U.S. or Iraqi policies. Under the surface, however, there remain a number of disagreements that could worsen over time.

First, there is Jordan's strategic partnership with Washington. Jordan is a state beset with deep vulnerabilities in both its economy and its geostrategic position in the regional balance of power. The West, and the United States specifically, has long been a prominent part of Jordan's strategy for addressing its endemic vulnerabilities. Jordan was able to maintain its strategic relationship with Washington and also preserve its close ties with Saddam Hussein, but it was the United States—not Saddam Hussein's Iraq—that enjoyed an unprecedented place of privilege in Jordan's national security strategy. Since the mid-1990s, following the peace treaty with Israel, Jordan has made a determined effort to upgrade its ties with Washington and build a strategic framework based on close cooperation in security and trade—a relationship whereby Jordan relies on the U.S. to guarantee its security, lest it get trampled in an increasingly turbulent region.

Viewing Jordan as a reliable and friendly government is nothing new in Washington, but what is new is the determination of Jordan's present leader to make a strategic relationship with the U.S. a centerpiece of the country's foreign policy. King Abdullah is managing Jordan's Iraq policy in such a way that reinforces Jordan's strategic alliance with Washington. Abdullah also wants Jordan to hold a privileged place in Washington and is sensitive to the relative position of other Arab states, such as Egypt, that are also closely aligned with the U.S.[44]

Second, Jordanian leaders took a lesson from history: The costs that came with standing by Iraq in the 1990–91 Gulf War were unacceptable in retrospect, so this time around, not only did Jordan seek guarantees from the U.S. and its regional allies to offset the costs of

Iraqi Refugees in Neighboring Countries, March 2003 to September-October 2006



United Nations High Commissioner for Refugees

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Source: Congressional Research Service

Operation Iraqi Freedom, but it also heavily considered the positions of regional investors, such as Kuwait, which it could not afford to alienate.

Third, there is the Palestinian dimension. The Palestinian issue looms much larger than Iraq in Jordanian politics. Already under constraints imposed by the collapse of the Oslo Peace Process in 2000 and the surging violence between Israelis and Palestinians that followed, Jordan believed U.S. actions in Iraq would be joined by positive movement on the Palestinian question. Although this was not the primary calculation that produced Jordanian cooperation in U.S. policy on Iraq, it was an important element in Jordanian decision making—and once Saddam was ousted, Jordanian leaders lobbied the U.S. very hard for more dramatic steps on the peace process. Former U.S. National Security Council analyst Flynt Leverett described King Abdullah's position on the eve of the war as follows: "We are going to support you in Iraq, we assume you are going to take military action, we will do everything we can to support you. But we need more cover on the Palestinian issue, we need a road map."[45]

Fourth, Jordan's cooperation is also tied to Washington's use of positive economic and military inducements. This strategy is not new: More than a decade ago, in the aftermath of the Israeli-Jordanian peace treaty, the Clinton administration convinced Congress to cancel hundreds of millions of dollars of Jordanian debt. Arab-Israeli peace, together with counterterrorism priorities, led to a steep rise in annual foreign aid to Jordan. Then, after 9/11, the U.S.-Jordan Free Trade Agreement—signed under Clinton but still awaiting Senate approval—was quickly ratified. Bilateral trade has boomed. In addition, as the U.S. went to war against Saddam in early 2003, Washington put forward an expansive new aid package for Jordan. Unlike Turkey, which also received U.S. aid pledges, Jordan did not put the question of cooperation before its parliament. In 2003, U.S. aid to Jordan hit a high-water mark. Aid alone was not responsible for Jordan's cooperation, but it did provide a powerful statement of support to the kingdom and reassured Abdullah at a moment when he was anxious about the economic dislocations of war. Since Saddam Hussein's ouster, bilateral foreign aid to Jordan has remained at high levels, averaging about $500 million annually.

As Jordan pursues what is an unpopular policy at home, foreign aid has allowed the king to make the case that he is putting "Jordan First"—a slogan favored by the Hashemites. Using foreign aid to bolster regime stability is a long-standing Jordanian strategy.[46] Increased U.S. aid is the tangible manifestation of America's commitment to the stability and well-being of Jordan. It is also a sign of Jordan's relative importance to U.S. strategic goals in the region, from Arab-Israeli peacemaking to counterterrorism to rebuilding Iraq. Thus it is little surprise that aid to Jordan has risen so dramatically since 2001.

Jordan's cooperation on Iraq has also been reinforced by the course of events. All things considered, said former foreign minister Marwan Muasher in late 2004, "we haven't done too bad."[47] Despite all the instability brought on by war, Jordan has been able to maintain high growth rates (between 3 percent and 6 percent). In other words, Jordan has a vested economic interest in post-Saddam Iraq. The threat of terrorism continues to loom large, but Jordan has managed to do remarkably well economically since the fall of Saddam. The fact that Jordan's worst case scenarios—interrupted energy supplies, a surge in unemployment, economic contractions—did not materialize has helped to reinforce the decision to cooperate with Washington.

Specific Areas of Concern

The following areas of concern will dominate the Jordanian-Iraqi relationship in years to come. These issues, from terrorism and Iran to mutual mistrust and economic relations,

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killed more than 120 Iraqis, mainly Shia. An obituary published in Jordan hailed the alleged bomber—Raed al-Banna, a Jordanian—as a "martyr." The al-Banna case led to an outcry in Iraq, with Shiite leaders leveling harsh criticisms against Jordan. For months, accusations were hurled at Amman. "We are sorry to say that until now, a high number of the figures of the [former] regime and those who supervise terrorist groups are based in Jordan," said Laith Kubba, spokesman for interim Iraqi prime minister Ibrahim Jaafari.[52]

After the Hilla bombing, demonstrators attacked the Jordanian embassy in Baghdad. The Iraqi demonstrations, followed by the withdrawal of ambassadors and mutual recriminations, signaled a steep decline in relations. Supreme Council for the Islamic Revolution in Iraq leader Abd al-Aziz al-Hakim said Jordan was exporting "terrorists" to Iraq. It was weeks before formal diplomatic relations returned to normal.[53] The Amman bombings later that year fueled mistrust in the other direction, given that the bombers were Iraqi.

Visible signs of the breach remain, such as the refusal of some Iraqi Shia leaders to travel to Jordan for conferences and meetings. Speaking at a June 2005 meeting of interior ministers from the neighboring states, former Iraqi interior minister Bayan Jabr singled out Jordan and Syria for not doing enough to stem the tide of foreign fighters. Iraqis have also been rankled by Jordanian columnists, many of whom they accuse of giving far more attention to anti-American tirades than to condemning Arab-on-Arab violence in Iraq. There is also lingering Iraqi resentment rooted in a belief that members of the Jordanian establishment profited from Saddam Hussein's regime while average Iraqis suffered. Remarkably, the heart of the relationship—trade, transport, security training, and the "gateway"—appears largely untouched by the breach over Hilla and the Amman hotel bombings. Visits by Iraqi president Jalal Talabani and Jordanian prime minister Marouf Bakhit have healed some wounds on a day-to-day basis, but the crisis of confidence remains; part of the problem is that Jordanian elites are exposed to the large (and largely disaffected) Iraqi exile community. Left unattended, this crisis could develop into a more serious breach.

Economics: Sustainable growth, transparency, and debt. Trade and economic matters generate positive cooperation between Jordan and Iraq, but they are also a source of discord. Iraq relies on trade and transport routes via Jordan, bilateral trade is robust, and Jordan is a convenient safe haven for Iraqis to park their assets—illicit or otherwise. Stories of Iraqis using cash to purchase multimillion-dollar properties in Amman are all too common. More important, though, Iraq's new leaders worry that former regime figures are using Jordan as a base to support the insurgency. "The family of Saddam is there with a huge wealth. [Jordanian] law is allowing them to support political activities," said Kubba in mid-2005, adding that "they are attempting to revive the Baath Party. This is unacceptable and hostile from an Iraqi viewpoint."[54] Jordanian authorities reject such charges. Iraqi criticism could stem from a "blame others" tactic. But the financial ledger is murky, and full compliance is difficult to ascertain;[55] the lack of transparency is noticeable. At least in terms of Saddam-era assets, U.S. officials interviewed for this report said Jordan has generally complied with U.S. and Iraqi requests to trace and return assets. Even though Jordan enjoys certain added economic benefits as a result of instability in Iraq, these benefits are unsustainable and potentially damaging to the Jordanian economy over the long term. The run-up in real estate is the best example of this mixed blessing; the real estate boom is having a vastly disparate impact on the Jordanian economy and contributing to an ever-widening income gap.

The pre-2003 economic balance sheet is also a source of discord. Jordan claims it is owed close to $1 billion in Iraqi commercial debt. The kingdom has worked tirelessly to ensure that its debt is not lumped into the larger multilateral debt process—Jordanian officials call the debt "exceptional" and say it should be handled on a separate ledger. They also complain that the U.S. is not fully supporting Amman in securing these funds. The kingdom has also lobbied creditor nations to reduce Iraqi debt by offering more reconstruction contracts to neighbors like Jordan.[56] But the debt issue is complex. For example,

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Stands by Saddam's Daughter Despite Iraq Extradition Call," Agence France-Presse, July 3, 2006. Both daughters are reportedly living quite comfortably.

42. The figures at the high end of the range came from the author's interview with a senior Jordanian official, August 30, 2006.

43. James Glanz, "Iraqis Press Donors for Billions More in Reconstruction Aid," *New York Times*, July 19, 2005.

44. U.S.-Jordanian cooperation on security matters is far-reaching. There are reports that Jordan has participated in the CIA's rendition program for suspected terrorists. According to a report by Amnesty International, Jordanian security agents have tortured U.S. terror subjects to obtain confessions; see Amnesty International, *Jordan: "Your Confessions Are Ready for You to Sign." Detention and Torture of Political Suspects*. MDE 16/005/2006 (New York: Amnesty International, July 2006)

45. See the Public Broadcasting Service documentary, "Elusive Peace: Israel and the Arabs"; originally aired October 10–24, 2005 (released on DVD January 2006).

46. See Laurie Brand, *Jordan's Inter-Arab Relations: The Political Economy of Alliance Making* (New York: Columbia University Press, 1994); and Markus Bouillon, "Walking the Tightrope: Jordanian Foreign Policy from the Gulf Crisis to the Peace Process and Beyond," in *Jordan in Transition*, ed. George Joffe (New York: Palgrave, 2002), 1–22.

47. Muasher, transcript, 21.

48. King Abdullah, interview by Lally Weymouth in, "In the End, 'Iraq Will Succeed,'" *Washington Post*, May 22, 2005.

49. Author's interview with senior Jordanian Foreign Ministry official, September 13, 2004, Amman.

50. Muasher, transcript, p. 8.

51. See Middle East Media Research Institute, *Al-Hayat Inquiry*. For more background on Jordanians and the Iraqi insurgency, see James Glanz, "In Jordanian Case, Hints of Iraq Jihad Networks," *New York Times*, July 29, 2005; and Nir Rosen, "Iraq's Jordanian Jihadis," *The New York Times Magazine*, February 19, 2006, and idem, "Thinking Like a Jihadist: Iraq's Jordanian Connection," *World Policy Journal* 23, no. 1 (Spring 2006): 1–16.

52. Kubba quote in "Iraq Wants Jordan to Extradite Ex-Regime Figures Behind Insurgency," Agence France-Press, August 21, 2005.

53. See Dexter Filkins, "Tortuous Trail: From a Bombing in Iraq to Fury at a Family in Jordan," *New York Times*, March 15, 2005; Steve Negus, "Iraq Spat Deepens as Jordan Evacuates Embassy," *Financial Times* (London), March 22, 2005; Nimrod Raphaeli, "Iraqi-Jordanian Tension Over the Most Lethal Suicide Bombing in Iraq," Middle East Research Institute, March 29, 2005, www.intelligence.org.il/eng/memri/apr_a_05.htm; and Rawya Rageh, "Iraq, Jordan at Odds over Border Security," Associated Press, March 21, 2005. The editor of the Jordanian paper that broke the story was forced to resign.

54. Kubba in "Iraq Wants Jordan to Extradite Ex-Regime Figures Behind Insurgency."

55. Interviews with Jordanian intellectuals and former government officials, September 22–25, 2005, Athens.

56. See "Jordan Calls for Reconstruction Contracts to Lessen Iraq Debt," Agence France-Presse, September 13, 2004.

57. The debt issue was reportedly raised during Prime Minister Bakhit's August 2006 visit to Baghdad. A Jordanian official suggested to the author that one way to resolve the issue would be to "swap" the Iraqi commercial debt with the frozen assets of Iraq's al-Rafidayn Bank held by Jordan, which, like the debt, totals approximately $1 billion.

58. See David Sanger, "Middle East Mediator: Big New Test for Bush," *New York Times*, June 5, 2003. The Bush administration's Road Map for Peace can be found at www.state.gov/r/pa/ei/rls/22520.htm, and the Bush-Sharon correspondence can be found at www.mfa.gov.il/MFA/Peace+Process/Reference+Documents/Exchange+of+letters+Sharon-Bush+14-Apr-2004.htm.

59. See Jim Hoagland, "Playing Both Sides in Jordan," *Washington Post*, March 27, 2005; Glain, "Letter From Jordan"; and Jon Leyne, "Jordan Fears Loss of U.S. Favor," BBC News, April 25, 2005, http://news.bbc.co.uk/1/hi/world/middle_east/4472833.stm.

60. Hoagland, "Playing Both Sides in Jordan."

61. Glain, "Letter from Jordan."

62. See Phebe Marr, *Who Are Iraq's New Leaders? What Do They Want?* Special Report, no. 160 (Washington, D.C.: U.S. Institute of Peace, March 2006).

63. See "Jalalatuhu yaltaqi 'adadan min abraz mumathili wasa'il al-'i'lam al-'iraqiya " *Al-Dustor* (Amman), April 5, 2005.

64. See Khouri, "Democratic Jordan."

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USIP and Iraq

The Institute's Iraq programming is directed by Daniel Serwer, vice president of the Center for Post-Conflict Peace and Stability Operations. Funded by a $10 million appropriation provided by Congress in late 2003 and a $3.08 million transfer from the State Department in 2005, USIP Iraq programs aim to:

- Prevent sectarian violence, including through interethnic and interreligious dialogue.
- Build up the rule of law, especially through the constitutional process.
- Educate and train a new generation of democratic leaders.
- Prepare Americans to serve in Iraq on the basis of "lessons learned."

Despite difficult security conditions, this effort has entailed the establishment of the first USIP office abroad—in Baghdad—as well as the Institute's first foreign-language publications (in Arabic). We are grateful to the Iraqis who have courageously joined in this effort through USIP grants, training programs, faculty seminars, and legal workshops, and hope that the Americans who have received USIP materials before embarking will find them useful to their work in this most challenging of environments.

Of Related Interest

A number of other publications from the United States Institute of Peace examine issues related to Iraq and regional security in the broader Middle East.

Recent and related Institute publications include:

- *Weak Viability: The Iraqi Federal State and the Constitutional Amendment Process*, by Jonathan Morrow (Special Report, July 2006)
- *Who Are Iraq's New Leaders? What Do They Want?* by Phebe Marr (Special Report, March 2006)
- *Willing to Compromise: Palestinian Public Opinion and the Peace Process*, by Khalil Shikaki (Special Report, January 2006)
- **Iraq and Its Neighbors**/*Saudi Arabia and Iraq: Oil, Religion, and an Enduring Rivalry*, by Joseph McMillan (Special Report, January 2006) **Arabic version available
- **Iraq and Its Neighbors**/*Iran and Iraq: The Shia Connection, Soft Power, and the Nuclear Factor*, by Geoffrey Kemp (Special Report, November 2005)
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1200 17th Street NW • Washington, DC 20036 • 202.457.1700 • fax 202.429.6063

IRAQ AND ITS NEIGHBORS

Scott Lasensky

Jordan and Iraq

Between Cooperation and Crisis

PURDUE UNIVERSITY
JAN 03 2006

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