Contents

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4 PhD CHRISTIAN SENGÁ
Talk on African Eurobonds.

6 MOZAMBIQUE’S PERFECT STORM
How the aftermath of Cyclones Kenneth and Idai threw a spotlight on
climate change, humanitarian aid, conflict, and corruption

8 IN THE MEANTIME @ IOB
What has been going on lately at IOB? Discover it here!

10 ALUMNI PANEL
Four alumni talk about their time at IOB, ongoing work and future plans.

12 IRAN DEAL HANGING BY A THREAD...
Three experts share their views on the reasons and consequences of
Trump’s decision to unilaterally withdraw from the Iran deal.

18 THIS WAS THE YEAR 2018-2019
Funny pictures and memorable quotes about the ACYR 2018-2019

20 OPPORTUNITIES AND EVENTS
Be sure not to miss out on these future alumni events in 2018

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E2C team: Sahawal Alidou, Hans De Backer,
Sara Dewachter, Joëlle Dhondt, Mollie
Gleiberman, Elizabeth Njoroge, Lisa Popelier
and Sarah Vancluysen

Exchange to change September 2019
Dear students

While writing this introduction here in Belgium we are experiencing exceptional tropical temperatures close to 40°C, unfortunately without the comfortable air-conditioning I am usually entitled to when working at our IOB partner university in Nicaragua. For the first time in history—with historical weather records going back to the 1830s—the meteorological service has announced Code Red, a condition in which “the population is reminded to drink, to keep in the shade, and ideally stay at home”. This advice may sound weird for those of you who are used to tropical conditions, but here experts indicate that climate change has increased the probability of such heatwaves in our temperate climate zone; they warn us that they could become the ‘new normal’. Will it be possible for us and for the natural world on which we depend to adapt—in time? Wide spots of dried-out forests which I recently saw on a trip in Germany are among the many indicators that give reason to worry. But while sweating in my darkened, unpityingly hot office, I also remember an optimist report from a few weeks ago: trees can save us. A massive worldwide process of reforestation could rebalance the composition of the atmosphere and cool the planet quickly, at least enough to buy us time for a broader transition to a zero-carbon society. Logically, I felt good that we and our academic partners are trying to stop deforestation in Nicaragua. At the same time I couldn’t stop thinking about the small cattle-raiser who argued that he also had a right to a piece of land and a decent living, and that we ‘yankees’ (sic) had already destroyed our forests long ago as Jason Moore’s analysis of the Capitalocene has demonstrated eloquently. And anyway, he also argued, shouldn’t we from the developed world first stop eating all this meat requiring massive deforestation for soybean plantation in Brazil and other countries? Good news seems to come from Ethiopia, where the world record of tree planting has been broken… or might this just be window dressing as suggested by one of my student’s dissertation, showing massive recent deforestation caused by Ethiopian land leasing to large international investors. Terrible news certainly comes from Brazil where the destruction of the Amazon rainforest got a boost from Bolsonaro’s ‘no nonsense’ (sic) development discourse. Maybe Moore is right that our current capitalist development model cannot thrive without destroying ‘cheap nature’; and maybe our politicians need development to thrive in order to get (re)elected… The question then becomes: can we human kind get our act together (in time) to stop the current disastrous trail of ‘development’ (sic)? I hope we all try to make our contribution.

Johan Bastiaensen
Chair IOB
Talk with Dr. Christian Senga on African Eurobonds

On 29 May 2019, Christian Senga defended his PhD entitled “African Eurobonds: Opportunities and challenges for sustainable economic growth after the HIPC initiative” at the Faculty of Business and Economics of the University of Antwerp (his supervisor was Prof. Danny Cassimon from IOB). Given the current debate on African debt (with for instance the African Economic Research Consortium warning of Sub-Saharan Africa’s (SSA) new debt crisis as 40 per cent of the region’s countries are at high risk of debt distress), the E2C team has asked Christian to share his thoughts on the issue.

E2C: How did you come up with this research topic on African Eurobonds 5 years ago, considering that only a few African countries were then active on the Eurobonds market?

CS: Together with my supervisor, we came up with this topic as a result of a long reflection on the issue of the ‘beyond foreign aid’ financing of SSA development. The mobilization of financial resources through international capital markets by SSA countries (besides South Africa) was indeed a novelty that attracted our curiosity for three main reasons: first, the increase in the number and size of SSA Eurobond issues was reviving concern about the risk of a new sovereign debt crisis in the region, should these countries borrow beyond their respective capacities. It was therefore important to investigate, on the one hand, the ability of international capital markets to prevent/deter these newcomers from falling into excess borrowing and, on the other hand, the kind of incentives this access to international capital markets provides for economic growth and development in the borrowing countries. Second, there was an indication of an exceptionally high appetite for SSA bonds by international investors despite the history of the region’s over-indebtedness and sovereign debt crisis, a situation that had spiralled out of control and necessitated the International Monetary Fund (IMF) and World Bank’s Heavily-Indebted Poor Countries (HIPC) and Multilateral Debt Relief Initiative (MDRI) initiatives to be curbed. It was equally important to understand the rationale behind this enthusiasm shown by international investors for these SSA securities as well as its implications for the sustainability of the SSA Eurobond market. Finally, and related to the second reason, the sustainability of the SSA Eurobond market was challenged by a kind of consensus among analysts linking its success to global factors such as the prevailing sluggish economic growth and low interest rates in the developed world, factors that not only lie beyond the control of SSA countries but are also bound to change in the medium term. A thorough analysis of the drivers of SSA Eurobonds was therefore necessary to provide a scientific contribution to this debate.

E2C: More than US$ 50 billion have been collected by SSA countries (excluding South Africa) in the past years through Eurobonds. How do you explain this success and what make African securities appealing to international investors?

CS: The success of SSA Eurobonds is generally attributed to a combination of factors. On the one hand, there are ‘push’ factors deriving from global economic conditions such as commodity prices, global liquidity and economic prospects in advanced economies. On the other hand, there are ‘pull factors’ related to improvements in borrowing countries’ creditworthiness such as an outstanding economic performance, sustained commitment to socioeconomic transformation, and improved governance and human development. Early studies on the drivers of SSA Eurobonds’ yields have stressed the preponderant role of ‘push’ factors such as favorable commodity prices and the prevailing low interest rates in advanced economies. However, while these push/global conditions apply to all of the SSA Eurobond issuers, markets have proved to assign different yields to these securities depending on the quality of the borrowers’ macroeconomic fundamentals and perceived vulnerability to global conditions, which adds some weight to the importance of the pull/country specific factors in these securities’ individual success. Unlike the general perception portraying the appetite of international investors for these securities as a desperate move in search of growth opportunities far afield from their protracted low-growth, low-interest rate environment, we have found indications of tremendous international diversification benefits when investors from advanced economies diversify their portfolios through African securities. Investors contemplating this perceived highly-risky frontier market (SSA economies) are likely to be compensated by not only its high yields but also, more importantly, its lower integration - hence lower correlation- with global markets. This is in my view the main rationale behind the observed enthusiasm of international investors for SSA Eurobonds.

E2C: How does increased access to international capital markets
affect investment dynamics in Sub-Saharan Africa? Is this effect heterogeneous? Can you elaborate on the differences (or similarities) across countries?

CS: SSA countries’ access to international capital markets was hypothesized to affect domestic investment dynamics through different channels. For instance, Eurobonds’ proceeds were stated to affect massive soft and hard infrastructure investments as a way to stimulate private investment for a sustained growth and economic development. Besides, by borrowing abroad, governments were expecting to relax the public-private competition over the domestically available funds to the advantage of the private sector. Also, the access to international capital markets can be seen as an opportunity for SSA countries to register on the investors’ radar and attract more foreign direct investment (FDI). The experience of Gabon and Ghana suggests that the exposure to international capital markets has had a positive impact on these countries’ levels of FDI inflows. As concerns the performance of the private sector, there seems to be no clear indication that SSA governments’ borrowing through Eurobonds has affected domestic private investment levels, which remain not significantly different from those of their non-Eurobond issuing counterparts, despite the relatively significant higher levels of government investment, FDI, financial development and quality of institutions. Among the possible explanations, the results of our research suggest a weak -if not complete -lack of mutual influence between private investment and public investment and FDI in the Eurobond issuing SSA economies unlike their non-Eurobond issuing counterparts, which are characterized by a very strong level of complementarity among these variables.

E2C: Should we (not) worry about African Eurobonds? What challenges do Eurobonds pose for sustainable growth in SSA and what is your advice to overcome them?

CS: Compared to other development funding alternatives, Eurobonds are perceived to entail a certain number of risks and concerns that might be of serious concern in the particular case of SSA. One of them is that the redemption structure of many of these bonds exposes issuers to serious financial risks at maturity, especially in the case of ‘bullet’ bonds where the principal has to be redeemed in one payment. This is exacerbated by the diffuse structure of bondholding, entailing a diversity of creditors with sometimes antagonistic strategies and interests that might hinder the possibility of common agreement (collective action) in case of default and/or restructuring. More than a decade down the road, the experience of SSA Eurobonds provides an opportunity to assess the validity of these concerns and draw some lessons. On the one hand, Gabon and Ghana have been able to redeem their debut 10-year Eurobonds issued in 2007 for respectively US$ one billion and 750 million; the same as Nigeria which has successfully paid back its US$500 million 5-year Eurobond issued in 2013. In addition to building a track-record and thus sending a positive signal to markets, these repayments soften somehow the concerns associated with Eurobonds’ redemption structures. On the other hand, countries such as Angola, Congo Republic, Ghana, Mozambique and Zambia have at one point in time experienced a certain degree of market disapproval translated into abnormally high levels of yields. More specifically, Congo and Mozambique even fell into default territory by failing to meet their debt services as contracted. However, the crucial question here is whether the blame should be put on the debt instrument characteristics or merely on the characteristics of the borrowers themselves. In my view, the whole point is that the Eurobond market offers SSA countries unique advantages that could hardly be obtained from multilateral or bilateral creditors, or even from their own domestic markets. These advantages range from the lack of conditionalities to the maturity and amounts to be collected. The experience of SSA shows that the itemized cases of failure appear to have their roots in borrowers’ macroeconomic structures rather than being related to Eurobonds’ characteristics as debt instruments. In fact, rather than being the cause, international capital markets simply reveal changes in the quality of borrowers’ fundamentals by promptly adjusting the yields accordingly – there is no point in shooting the messenger! I think we should worry more about the quality of macroeconomic management -of which debt management- to harness the potential of international capital markets and avoid the adverse effects of government over-indebtedness.

E2C: On a less technical note, what did you enjoy the most in your PhD and conversely what was the most difficult part?

CS: The most challenging and yet interesting aspect of my PhD is the fact that I was exploring an area that was, in some respects, virgin. There were aspects that had to be investigated for the first time, which made it exciting but also difficult at the same time because of the insufficient literature available. I am overall happy to have provided some scientific contribution to a still-open debate that has been making the headlines for more than a decade.

Ongoing/future research activities: New trends in low-income developing countries (LIDCs) debt; The macroeconomics of foreign aid in war-torn African countries; Regional trade and economic integration in Africa.
Mozambique’s “Perfect Storm”: How the aftermath of cyclones Kenneth and Idai threw a spotlight on climate change, humanitarian aid, conflict and corruption

On 14 March, tropical cyclone Idai made landfall in the center of Mozambique, cutting a path of destruction through the country and into Malawi and Zimbabwe. Beira, a busy port city of more than half a million people situated where the Pungue river meets the Indian Ocean, was especially hard-hit by the fierce storm. While Beira—parts of which are actually below sea level—was somewhat prepared for flooding (the city built a new drainage system and wave barriers against rising sea-levels in 2012), Mayor Daviz Simango lamented that the city had been woefully underprepared for the strength of the storm’s winds. In the aftermath, the situation only got worse. The region further inland had no means to manage the flooding, and the tracts of farmland that form Mozambique’s breadbasket became a vast, inland lake. More than 150,000 people were displaced, tens of thousands of homes were destroyed, and up to 2 million people were estimated to be affected. Aerial footage showed people clinging to tree tops and huddled on roofs, enduring days in the hot sun surrounded by mosquito-infested floodwaters. Cases of cholera and malaria spiked. At least 686 deaths in Mozambique, Zimbabwe, and Malawi have been attributed to Idai.

The severity and timing of the storm raised other concerns. Many observers drew a link between Idai and climate change, with UN Secretary General Antonio Guterres noting pointedly that Idai rang “yet another alarm bell about the dangers of climate change”. While scientists do not attribute specific weather events to climate change, research has shown that the effects of global warming are intensifying natural disasters, such as heatwaves, droughts, and floods. And although city planners in Beira have made water management a priority, countries like Mozambique that lack adequate infrastructure and funding remain especially vulnerable.

The international response was swift. In the days before Idai hit, regional and international news media had begun warning of the potential for devastation, and donor organizations were already preparing response plans that could be quickly implemented. While some observers bemoaned the Mozambican government’s sclerotic response—some cynically wondering whether Beira’s reputation as an opposition stronghold might delay government assistance—volunteers and aid began flowing into Mozambique soon after the devastation became public. In neighboring South Africa, a response was already being mobilized before the storm hit, based on its predicted severity, and the country was well-placed to provide assistance, both official (e.g. aircraft and aircraft personnel) and unofficial (individual donors and volunteer groups who collected funds and goods to ship across the border). The UN and their partners, bilateral donors, and major INGOs, such as Medecins Sans Frontieres, also quickly mobilized to try to keep the chaotic situation from unraveling further.

In addition to the international response, Mozambican citizens and residents also rallied to help their compatriots. For example, in the unaffected northern province of Cabo Delgado, people in the provincial capital, Pemba, organized benefits and fundraisers to assemble ‘Buckets for Beira’—plastic containers of necessities that could be distributed as complete packages to families, that were loaded on to trucks and sent south.

But then something unprecedented happened. On 25 April, just six weeks after Idai, another tropical cyclone made landfall in Mozambique: cyclone Kenneth. This time, it hit Cabo Delgado. Suddenly, the people who just a few days earlier had been assembling Buckets for Beira found their own city underwater. North of Pemba it was even worse. While Kenneth was initially projected to make landfall in Palma district (the site of a massive offshore natural gas project), the cyclone suddenly moved south, hitting historic Ibo Island with its full force and then making landfall on the village of Pangane. Pangane was flattened, as were most villages in the storm’s path, which cut from the coast all the way inland past Macomia.


2 Unfortunately the local news networks were less effective at spreading the word; one of the main complaints during the aftermath was that the central government had not adequately warned (or, in some cases, not even informed) those in the storm’s path.
Whereas Idai gave climate scientists and researchers an idea of just how devastating the results of climate change could potentially be, Kenneth crystallized those fears. Kenneth not only came just six weeks after Idai, but was the strongest cyclone on record to make landfall in Mozambique. And never before had two tropical cyclones of such strength hit Mozambique in the same season. That the damage from Kenneth wasn’t worse can be attributed to two factors: Cabo Delgado is composed of mostly rural villages and towns, so there were few very dense settlements, and most people are very poor, with limited assets ‘counted’ in official tallies of losses. This latter point speaks to the worst aspect of climate change-induced/exacerbated natural disasters: the outcomes are disproportionately borne by people who live in the most precarious situations, and who are the least responsible for global carbon emissions. With the destruction of their food crops, and often the loss of everything they owned - including investments such as zinc roofing, which ended up crumpled and twisted around tree tops as if it was as malleable as aluminum foil - the crisis still lingers for affected populations.

Yet the cyclones exposed more than the dangers of climate change. They also highlighted how the humanitarian response to a natural disaster can be hindered by unrelated dynamics within the place in which it occurs. When aid organizations landed in Cabo Delgado, they quickly learned that the province is beset by violence, attributed to a shadowy Islamic insurgency that has been escalating since 2017. The attacks on villages resumed in the days after Kenneth, sparking fears that aid distribution might fuel more conflict if the insurgents began targeting aid recipients. Furthermore, prior to Idai, many international donors had slowed or even completely halted their financial assistance to the country, due to a massive corruption scandal that implicated high-ranking members of the government. With the quantities of aid and donations pouring into the country, new fears were sparked about misappropriated funds, diverted goods, and even cases of local officials demanding fees to allow the delivery of food aid. The Maputo-based Center for Public Integrity released a statement calling for increased oversight of the Mozambican National Institute for Crisis Response (INGC), highlighting that “in relation to the hidden debts scandal, in particular the growing number of corruption cases that have been documented in the country, [there is] a high level of hesitation from cooperation partners in providing direct aid to the government”3. The Mayor Simango likewise demanded that donations be audited to prevent diversion of funds: “If we want credibility and for the country to be respected, there must be an audit.”4

The aftermath of Kenneth and Idai has revealed a “perfect storm” of problems: the role of climate change in exacerbating natural disasters; that those least responsible for global warming bear the brunt of its negative effects; that lack of state capacity reduces resilience; that corruption has dire implications for humanitarian responses; and the violent conflicts do not simply get put ‘on hold’ when another disaster strikes.5

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In the meantime...

Rebel Lives

Kristof Titeca (IOB) has co-authored a photo book “Rebel Lives” about the life inside the Lord’s Resistance Army (LRA), Uganda. The photo’s were also used for an exhibition at the Photo Museum FOMU in Antwerp.

The Lord’s Resistance Army (LRA), led by the infamous Joseph Kony, was active in northern Uganda from the second half of the 1980s. The rebel group became notorious for the use of extreme violence, in particular its large-scale abductions of children. Rebel Lives is a visual story about life inside the rebel movement: based on photographs taken by LRA commanders between 1994 and 2004, this book documents life within violent circumstances, and depicts the rebels as they wanted to be seen among themselves and by the outside world. Kristof Titeca (IOB), an expert on the LRA, collected this material, and used it to trace the photographed (former) rebels. Together with Congolese photographer Georges Senga, he travelled back to photograph the former rebels in their current context.

With text contributions from Jonathan Littell, Harriet Anena, Rein Deslé, and Christine Oryema Lalobo.

Meet and Greet Peru

On 3 July, IOB organised its first meet and greet session in Peru! The meet and greet was hosted by Gert Van Hecken, Frédéric Huybrechts and Pierre Merlet. The IOB graduates met in Restaurant Tanta in Miraflores, Lima, for what turned out to be an evening of interesting conversations, laughter and fun. Old friends reconnected, new friends were made.
As part of the Alumni Barometer Research supported by VLIR-UOS and funded by the Global Minds project, the Nicaraguan co-researcher team invited local alumni to participate in a two-session training about impact evaluation on the ground. This short training consisted of a combination of theoretical and practical approaches where both the mainstream and newest approaches to development impact evaluation were compared using practical case studies.

The training was held on 16 and 17 August, facilitated by Dimitri Renmans, post-doctoral researcher at IOB, and Selmira Flores, researcher at Nitlapan-UCA. During the first day, through a webinar session, Dimitri provided the participants with general insights about realist evaluation and its value as a new paradigm in the evaluation of development. On the second day, Selmira presented the impact evaluation of the national project “Hambre Cero”, where Random Control Trials Method was employed. The participants explored the strengths and weaknesses of this approach based on the newly learned realistic approach.

It was a great opportunity for debate and discussion, where the Nicaraguan alumni were able to explore different approaches in development evaluation from a critical perspective. But more importantly, it was an opportunity to develop networking and friendships among IOB alumni in Nicaragua.
Nchinda Valentine  
DEM 2008-09 | Cameroon

Where do you work? I am a Sub Director in Charge of Valorisation and Innovation at the Institute of Agricultural Research for Development (IRAD) – Cameroon where I also work as Senior Agricultural Economics Research Officer.

One advice for the graduating students from IOB? The graduating students should bear in mind that IOB has impacted knowledge in them and it’s incumbent on them to forge ahead and make use of it for the welfare of mankind in their respective areas of specialty.

How has the IOB experience affected your life/career? The knowledge and certification acquired from IOB allowed me to pick up several assignments with different international organizations including the Food and Agriculture Organization (FAO) of the United Nations in Italy, Haiti and Cameroon. Moreover, my experience at IOB was life-changing as it permitted me to secure funding following a very competitive process from the Australian government for PhD studies at the University of New England (Australia). Upon graduating, I worked for several international organizations. Today, I am the current President of the Cameroon Australia Alumni Association (CAm3A); Sub Director In-Charge of Valorization in addition to significant advances in my career as an Agricultural Economics Researcher / M&E Specialist.

Natalia Wills Gil  
DEM 2006-07 | Colombia

Where do you work? Country Representative at Pro Mujer.

My role is to represent Pro Mujer (social enterprise created in 1990 to empower low income women in Latin America) at the local level and coordinate with the local teams to align and secure proper operations and execution of different programs. Key responsibilities include public relations, proposal coordination and project execution, relationship management and supporting the work of the local teams.

One advice for the graduating students from IOB? Enjoy the time at the IOB and learn as much as possible from your professors and classmates. I have applied what I’ve learned there in every role I’ve had during my career.

What book/project/blog/website/documentary did you recently come across and did you find ‘eyeopening’? I’ve just finished reading “The Moment of Lift” by Melinda Gates, and it was great source of inspiration. I have been working in women’s empowerment for the last period in my career, and this book confirmed my believe that women empowerment has the power of deeply transforming the world (not just for women, but for the society as a whole).
Susan Seruyange  
GOV 2006-07 | Uganda

Where do you work? Senior rehabilitation officer, Ministry of Defence and Veteran Affairs, working mainly on the economic empowerment and social inclusion of wives of soldiers.

One advice for the graduating students from IOB? Have a passion for what you do, that alone is enough to keep you going.

How has the IOB experience affected your life/career? I credit my good work ethics in government development work to IOB because I was prepared on how to handle policy environments. I also learnt how to interact with people from different nationalities at IOB which prepared me well for the different peace support operation trainings I have attended in Africa, Europe and America.

What book/project/blog/website/documentary did you recently come across and did you find ‘eyeopening’? I am reading “We are poor but so many: the story of self-employed women in India” by Ela Bhatt. Women are the majority in most societies but yet still poor however this can change if they are given the opportunity to change their societies.

Yu-Pei WU  
DEM 2012-13 | Taiwan (currently living in Guatemala)

Where do you work? I work for the Taiwanese Ministry of Foreign Affairs. Since 2017 I have been assigned to Guatemala, work as a counselor in our embassy there. Part of my job is overseeing some development projects, including infrastructure and institutional capacity building.

One advice for the graduating students from IOB? Talk to your classmates, each one of them is your different window the world.

How has the IOB experience affected your life/career? My IOB experience makes me realize that not all development interventions could end up with success, but the experience of doing that always brings us some lessons learnt. So I learn to pay attention to detail of every stage of a project, from the planning the post evaluation, and keep reminding myself to change viewpoints all the time.

If I were a director of a research fund, I would like to support some participatory projects in... Latin America and focus on indigenous development. Here in Guatemala, all Mayan tribes are extremely vulnerable, but most of them do not trust foreigners or outsiders. I believe a properly designed project formed by collective wisdom of local people, could definitely improve the welfare of Mayan people.
Iran deal hanging by a thread...

In recent months, many news items worldwide have been devoted to the escalating conflict between the Islamic Republic of Iran and the United States of America. Exchange to Change therefore invited three experts, prof. David Criekemans, Pedro Luis Inchauste Jordan and Issa Mansouri, to share their views on the reasons for and consequences of Trump’s decision to unilaterally withdraw from the Iran deal and reimpose sanctions on the country and its trade partners.

Issa Mansouri
- Iranian Deputy Minister of Cooperative, Labour and social welfare
- IOB alumnus

David Criekemans
- Associate Professor ‘International Relations’, University of Antwerp
- Lecturer at the University College Roosevelt in Middelburg (the Netherlands) and the Geneva Institute of Geopolitical Studies (Switzerland).
- Visiting professor at Blanquerna, Ramon Lull University in Barcelona (Spain).
- You can follow more of Professor Criekemans’ geopolitical analyses via his YouTube channel “David Criekemans”

Pedro Luis Inchauste Jordan
- Political Scientist with experience working with the United Nations Security Council.
- IOB alumnus, 2014-2015

Note: Pedro Luis Inchauste Jordan worked as a Political Coordinator for the Permanent Mission of Bolivia to the United Nations during its membership to the Security Council (2017 – 2018). He currently works as a Political Affairs Officer at the United Nations Department of Political and Peacebuilding Affairs.
E2C: What are the reasons for the unilateral withdrawal from the deal by the United States?

DC: In July 2015, the international community agreed to the so-called “Joint Comprehensive Plan of Action” (JCPOA) with Tehran. Within this agreement, Iran would limit its nuclear programme to only civilian (read: non-military) purposes in exchange for access to international markets. Iran could thus return to selling its oil and natural gas, hence raising capital for investments and enabling it to make new trade deals with the rest of the world. The JCPOA was initially an initiative of the Obama Administration and while not voiced openly, it constituted a way of containing Saudi Arabia as a regional actor. That country had supported a radical Sunni interpretation of Islam in the region, most notably in the Syrian war, which indirectly led to such terrorist groups as IS / Daesh and Al Nusra, among many others. The JCPOA, in which the European Union played a major role as a diplomatic negotiator, allowed Iran to re-enter the geopolitical game in the region to keep Saudi Arabia in check – also much to the dislike of Israel’s Prime Minister Benjamin Netanyahu. Immediately after entering office in 2017, the new American president Donald J. Trump raised the issue of ‘alleged violations’ by the Iranian regime. The only problem being that at the outset the International Atomic Energy Agency (IAEA) in Vienna did not support this position and could not detect any material violations by Tehran.

IM: All official reports from the IAEA indicate that Iran has complied with the deal known as JCPOA. Also, based on the JCPOA, the IAEA continues with verification and monitoring activities which prohibit nuclear weapons-related activities. Yet, having an ideological thinking system, Trump’s discourse shows a Jacksonian populism, patriotism and exceptionalism. The outstanding feature of this discourse stems from mercantilism which includes a rejection of mutual and multi-lateral benefits in favour of explicit political and economic nationalism. It is a zero-sum conception of the benefits to the USA from international relations and intra-region conflicts which have followed in the Middle East and the Persian Gulf region.

The Islamic Republic of Iran has been experiencing a dramatic growth in terms of security, hegemony and cultural influence in the region. However, economic and technological advancement are the pressure points with which Trump’s team tries to limit the access of Iranian people. The withdrawal from the accord by the US is the best way to control Iranian progress and at the same time dominate the massive arms market in the region and create jobs in America.

When the US announced their withdrawal from the JCPOA, it did not mean the deal was dead. The resolution is still valid and binding since there are no UN sanctions on Iran.

E2C: The tensions between Iran and the US are running high. At the beginning of July, Iran announced that it has started to increase its uranium levels, breaching the nuclear accord. What does this mean for ‘the deal’: is there still a deal or has it failed?

PI: In 2015, the Security Council endorsed the JCPOA through resolution 2231 and is therefore responsible for its full implementation. This resolution also terminated all previous UN Security Council sanctions on Iran with the possibility of re-imposing them in the event of significant non-compliance with the JCPOA commitments. All council members, with the exception of the US, call the JCPOA one of the greatest diplomatic achievements of our time. When the US announced their withdrawal from the JCPOA, it did not mean the deal was dead. The resolution is still valid and binding since there are no UN sanctions on Iran. Moreover, the other guarantors said that they would continue honoring the deal and Iran pledged to increase their cooperation to even out their loss resulting from the US sanctions. However, if one of the most powerful members of the body continuously undermines the deal, the Security Council will have problems fulfilling its role in implementing resolution 2231. It’s within this setting that Iran announced that they will start enriching uranium to levels beyond the level permitted by the JCPOA based on the justification that they are doing it in an effort to “protect its interest and bring balance to the situation”. Therefore, even though the deal is at a crossroads, it is still valid and ongoing.

DC: As a result of the rising tensions with the US, Tehran has indeed stated that it will surpass the agreed level of uranium enrichment, by increasing from 3.67% to 5%. This is largely symbolic as only from 20% onwards could one become worried, with a level of 90% needed for an atomic weapon. Iran has also tested several short and medium range missiles and it is supporting Shites in Syria and Iraq. But these last factors were not embedded in the original JCPOA. The original deal of 2015 is, however, gradually falling apart. Tehran has given the international community until September to find a way out, or at least to create a mechanism through which Iran could receive income and hard cash via selling its oil (and later natural gas). Immediately after Trump announced in

1 https://undocs.org/en/S/PV.8564
May 2018 that the US would leave the 
JCPOA, the French President Emmanuel 
Macron floated the idea of a “Trump 
Deal” with Tehran. This would not only 
comprise the “Obama Deal” or JCPOA 
(Trump’s designation) without a ‘sunset 
clause’ (parts of Iran’s commitments 
in the JCPOA were limited in time, and 
needed an update or reconfirmation 
anyway) but would also encompass 
Iran’s missile programme and its 
regional influence in countries such 
as Syria, Lebanon and Iraq. Although 
French diplomacy tested out the idea 
with Tehran, this soon proved to be a 
‘non-starter’. Iran would never give 
up all its cards forever, and – quite 
understandably – simply did not trust 
the word of the American president 
Trump. Hence, the JCPOA finds itself in 
serious jeopardy.

E2C: How important is the JCPOA 
for Iran and what do these tensions 
mean for wider regional stability? 
DC: For Iran, the JCPOA constituted 
Tehran’s ticket back into the 
international community, and a legal 
way to acquire much-needed cash and 
imports. At the same time, it was also a 
way for Tehran to counter Saudi Arabian 
influence throughout the region. 
That is why Riyadh lobbied Trump so 
hard in 2017, at the start of the Trump 
presidency. They wanted him to be on 
their side of this century-old power 
struggle, by offering the White House 
weapons purchases for the coming years 
in the US amounting to well over 100 
billion dollars.

PI: The situation in the region is very 
volatile and complicated because there 
are many ongoing conflicts involving 
many different actors in the region. 
Even though all Council members, 
except the US, support the JCPOA, their 
positions on other issues involving Iran 
and resolution 2231 are quite divided. 
Some Council members accuse Iran of 
violating some provisions of resolution 
2231 regarding the testing of missiles. 
Moreover, some Council members 
accuse Tehran of providing weapons to 
the Houthis in Yemen, violating the arms 
embargo imposed on this country. They 
also accuse Iran of providing support, 
both financially and by providing 
equipment, to groups fighting in Syria. 
Moreover, the current tensions over 
the Strait of Hormuz will only add more 
tension to the region. So, even though 
the international community cannot 
afford another conflict in the region, the 
situation there remains volatile and the 
relationship between Iran and western 
countries is very complicated and goes 
beyond the JCPOA.

E2C: Which sanctions are currently 
being (re-)imposed by the US on 
Iran and other signatory partners? 
DC: President Trump ordered ‘the 
toughest possible’ sanctions on Iran 
because in his opinion the country 
had violated the JCPOA. As a result, 
Washington has invoked economic, 
trade, scientific and military sanctions 
against Iran. Lately personal travel 
restrictions on entering US territory 
have also been applied vis-à-vis the 
political elite of Iran. Countries such as 
Israel and Saudi Arabia are adhering 
to the sanctions. Their foreign policy 
goals are aligned with those of Trump, 
or so it seems. Quite probably these 
2018, Trump invoked “extra-territorial 
sanctions”; any company in the world 
that did business with Iran could expect 
sanctions on its trade with and inside 
the United States. As a result, most 
businesses discontinued their activities 
with Iran. For Europe, companies such 
as Total, Renault and Airbus stopped all 
their business with Tehran, sometimes 
to the dislike of their politicians. This 
constituted a ‘reality check’ for most 
nations in the world that wanted to 
seize the trade opportunities with this 
nation of 82 million people.

E2C: What are the main 
consequences of Trump’s decision 
to exit the deal with Iran for the 
Iranian government, companies and 
citizens? 
IM: Regarding the humanitarian 
impact of the re-imposed sanctions on 
Iran, I would argue that the sanctions, 
definitely, have had a negative impact 
on the civilian population and have 
even led to human rights violations in 
Iran. For instance, Iran has witnessed 
the rising cost of food items and high 
inflation, negative effects on civil society 
and foreign investment, unemployment 
Any Government prefers a situation in 
which the unity of nations improves. This 
situation has happened to the Iranian 
Government as a result of an economic 
war imposed by a well-known enemy. 

three countries are also involved in 
a permanent, though covert military 
and intelligence gathering dialogue, 
so as to ‘contain’ the alleged ‘threat’ 
which the regime supposedly poses 
to the region. Most other countries in 
the international community continue 
to support the JCPOA. However, since 
the US controls the international 
payment system via the SWIFT system, 
and because the dollar is still widely 
used, Trump’s arm is very long indeed 
and world-encompassing. In May 
and lack of medicine. It is visible in Iran 
that the sanctions harm the general 
public, especially vulnerable people 
like women, children, the elderly and 
medical patients, and particularly 
low-income groups who are affected 
by the changes in currency rate and 
inflation. Accessing raw materials and 
also transferring money gained by the 
export of goods through the formal 
banking system are the main challenges 
which companies face. Any government 
prefers a situation in which the unity
of nations improves. This situation has happened to the Iranian Government as a result of an economic war imposed by a well-known enemy.

E2C: In which ways does the current situation resemble or differ from the situation prior to the 2015 deal?

IM: In the area of humanitarian impact, prior to the deal, the international sanctions regime by the UN, the EU, the US and some individual countries like Australia and Canada hadn’t had that many concrete effects on civilians in comparison to the current sanctions. For instance, although the US re-imposed sanctions have not imposed any ban on food items or medical supplies the measures imposed on Iranian banks and trade restrictions have made life extremely difficult for patients who are facing difficulties in finding medicines manufactured outside of Iran. Due to payment and shipping problems, many medical companies have ceased doing business with Iran. Many patients, especially those suffering from haemophilia, multiple sclerosis and cancer are in dire need of imported medicine. For the most part, economic sanctions and human rights are at odds. The international community has learned its lesson from the economic embargo against Iraqi civilians years ago.

E2C: Which strategies have been adopted in the meantime by the Iranian government to mitigate the current consequences for the Iranian citizens?

IM: Given its long experience of economic sanctions, Iranian people have plenty of experience to deal with the consequences of sanctions. The government has attempted to adopt better monetary and fiscal policies to protect the public from the recession and, importantly, has encouraged the Iranians to view the boycotts as opportunities for becoming economically independent. And, in addition, how to expand non-oil exports and how to grow a non-oil economy in the country. With this view, in order to overcome the sanctions and restrictions, Iran has increasingly been turning to a cadre of ‘resistance managers,’ based on its ‘resistance economy,’ empowering networks with unique capacities to keep Iran’s trade flowing. Within this context, the Iranian Government has focused on more valuable and job-rich sectors, social protection policies and

2 An inherited bleeding disorder where the blood doesn’t clot properly.
the management of the exchange rate as well as inflation, despite the first stage, and has thereby achieved real successes. In the meantime, the door for negotiation with right countries and people has been kept open.

EzC: What are the main consequences of the (re-)imposed sanctions for Iran’s trade partners? Can they circumvent the sanctions?

PI: The sanctions have not been imposed by the UN Security Council. Therefore, their compliance is not mandatory for UN Member States, meaning that states, entities and individuals who are not US nationals or aren’t US-based, should not comply with these sanctions. However, the US government has threatened foreign and non-US companies, saying that if they want to continue doing business with or in the US, they should break all relationships with Iran. Thus, even if there are countries who are willing to continue trading and doing business with Iran, many companies will weigh up which relationship is more important and they may stop dealing with Iran.

DC: Europe loses the opportunity to make trade deals with Iran. At the same time Iranian natural gas in particular would, in the future, become a very geostrategic alternative to diversify away from a too-high dependence on Russian natural gas. The European countries want to salvage the deal. The EU, together with the UK, is trying to set up INSTEX, the so-called ‘Instrument in Support of Trade Exchanges’. But the mechanism will never become an alternative to the global dollar regime or SWIFT. The scope of INSTEX is initially confined to humanitarian goods (e.g. medicine) and thus does not offer a real solution to the problem. More likely is that the EU would have to tolerate the Russian Federation buying Iranian oil and refining it on Russian territory, and then selling it, probably to China. A bit awkward, since the EU still maintains sanctions against Russia as a result of the annexation of the Ukraine’s Crimea in March 2014. The euro could perhaps be used as an alternative, the Russians hope, so that a crack would appear in the dominance of the American dollar in international payments for oil. That is something upon which the People’s Republic of China would look favourably, seen from the perspective of the current raging trade war between the US and China on all fronts (trade, technology and currencies). But the question remains whether the EU could then not become susceptible to American sanctions itself.

EzC: Which feelings prevail among the Iranian citizens and civil society organisations about the US withdrawal from the deal, and the positions taken by the other signatories ever since?

IM: According to a reliable survey conducted among university students in Tehran, most of them, as a result of economic pressure, are furious with President Trump and view Trump’s decision to exit the 2015 deal as a violation of International Law. 20.7% of the targeted sample believe that Iran should also withdraw from the nuclear deal whereas 22.5% think Iran should be committed to the accord and rely on the other signatories. Research findings indicate that the participation of NGOs and charitable entities in local joint actions against economic development programs has increased. In addition, different parties have come together to show their uniform reactions to the re-imposed sanction. Particularly, Iranian people reacted with unified irritation to the Trump administration’s recent decision to sanction Mr. Zarif, Iran’s
Such an external threat provides very powerful incentives for concerted policy, cooperation amongst elites and commonly encourages a nationalistic ideology often reflected in economic, political and cultural expressions.

foreign minister. Mr. Zarif as the latest in a series of signs that the Trump administration is itself really weak over the right approach to Iran and that, despite Mr. Trump’s insistence that he wants to negotiate, his administration’s decisions are not interested in diplomacy.

DC: For the regime, this is a race against time since the population is starting to feel the dire effects of Trump’s sanctions. There is an economic crisis and inflation is ramping up. But instead of winning the Iranian population over against their religious oligarchy via economic contacts (another one of Obama’s goals), the actual reverse is happening. Many Iranians feel isolated and disillusioned. We know that the young population is rather pro-western, at least in the big cities. Many others, however, are falling back in line. The supreme religious leader Khamenei, the real power broker in the country, has re-positioned himself and the regime has resumed its hard-line rhetoric – especially against the United States of America. It might very well be that a unique window of opportunity for rapprochement has been lost. Nevertheless, the Russians, Chinese and Europeans are playing a role behind the scenes to save what is left of the JCPOA.

E2C: What is the role that Europe should play in this? Does this situation have an impact on the diplomatic relations between Europe and the US?

DC: For Europe, this constitutes a very difficult diplomatic and geopolitical problem. There are not many ways out of this crisis, and most of them are suboptimal in comparison with the JCPOA. In any event, the Eurasian countries are being pushed more and more together as a result of American unilateralism. It is too soon to speculate on the long term consequences this could have for geopolitical relations. However, the Trump administration will not cease to use all the geo-economic and geostrategic instruments in their toolbox to counter Iran. The biggest danger currently would be a military stand-off between Iran and the US in the region, most notably in the Strait of Hormuz, through which one fifth of the daily oil production has to pass. It would be unwise for continental-European countries to support a ‘stabilisation task force’ under an American flag. Tehran has signalled it would perceive such a move as an ‘escalation’ on the part of the Europeans. No one knows whether there still exists a diplomatic ‘way in between’ for the continental-European countries. Their lack of ability to bring in hard military assets to the region results in them being largely ignored by the US, Russia and China. Hence the EU will most probably not be the decisive broker in this power game.

E2C: What are your main fears and hopes for the future resolution of US-Iran conflict?

PI: The whole region is very volatile and there are many ongoing conflicts that are a threat to international peace and security. Therefore, any conflict between the US and Iran would involve other countries, both regional powers and international powers, and would represent a great risk to international peace and security. My hope is that reason prevails, with the reasoning that it is always better and more beneficial, to all parties, to resolve conflicts peacefully through diplomatic efforts, and to avoid war.

E2C: What are your main fears and hopes for the future of your country?

IM: I am quite optimistic about our future and for good reasons such as our talented Iranian youth, the complete sense of unity among Iranians and potential support from other peaceful countries. As we’ve learned in Antwerp while studying Adrian Leftwich, in all major cases of development and effective states, the external threat was intense. Such an external threat provides very powerful incentives for concerted policy, cooperation amongst elites and commonly encourages a nationalistic ideology often reflected in economic, political and cultural expressions. Therefore, this challenge could be taken as an opportunity to invest in the future and advancement.
Challenging! Fun! Awesome! Enriching!

These are the most quoted words IOB graduates from the class of 2018-19 use to describe their IOB year. Indeed, it has been challenging: a year of working very hard, tight deadlines, paper writing, and managing the dissertation research and writing process, yet by inducing new insights, skills and ideas it has also been rewarding. Last but not least, they also had fun, in class, in Paris, at the kick off weekend, at parties, trips, traveling through Europe and beyond and in everyday life with an awesome group of students from around the globe. And so the academic year 2018-19 comes to an end, and a new one begins...

To celebrate the end of the academic year, IOB organised its annual graduation ceremony on 16 September 2019. Both the graduating as well as the newly arrived students were welcomed by Mr. Rik Röttger, the deputy from the Province of Antwerp, who also awarded the three Prizes for Development Cooperation. The Province of Antwerp has awarded these prizes (a cash prize of €850) since 1996 to promote development studies in economic, political, social, legal, cultural and environmental fields.

For the first time, IOB invited an IOB alumnus to present the keynote address. Daniel Agramont, a Bolivian IOB graduate, presented his work on The growing Chinese presence in Latin America and its (geo)political implications. This is a unique opportunity to show both graduating and new students to use what they have learned at IOB. A beautiful musical interlude on the piano livened up the graduation ceremony. As a member of the student committee and on behalf of her fellow students, ended the ceremony with a passionate speech. Finally, the moment everyone had been waiting for, the proclamation of the students’ results and the handing over of the diplomas!

The graduation ceremony was livestreamed: [https://bit.ly/2LbyehB](https://bit.ly/2LbyehB)
The year 2018-2019

“Aid and interventions can do harm as well as good! Thanks to IOB I’m sure to be a better aid worker in the future and avoid the common pitfalls.”

“People from around the world teach you global values that will stay with you forever”

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“People from around the world teach you global values that will stay with you forever”

“To realize that the world is really wide and diverse, and to be aware that the way I see things is always affected by my own judgments and perceptions.”

“dynamic, enriching and intense”

“IOB created in me a great development practitioner who is grounded in theory and practise.”

“amazing learning environment”

“IOB challenged me to put my ideas of development into practice. It taught me to value diversity more and proved that despite our different backgrounds, we are faced with common development challenges that we can work out together.”

“Development is removing the limitations of people’s freedom. I loved it!”

“Awesome! Thrilling! Transformative!”

“Difficult moments teach you that nothing is impossible and the best is yet to come. Enjoy every single second of the process!”

#abilityToDoCriticalReflections
“amazing learning environment”
Opportunities

Help us deepen the colour of IOB presence in your country ... by sharing the call for applications for the IOB Master programmes 2020-21. Candidates can apply (entirely online) from 1 November 2019 onwards.

IOB has 36 VLIR UOS scholarships available for development professionals, from countries on the VLIR UOS list.

www.uantwerpen.be/development-studies
**Uganda Alumni seminar**

On 30 September 2019, an IOB alumni seminar will be organised in Kampala, Uganda. All IOB alumni in Uganda are welcome to join for a lovely reunion, an update from IOB, some info on IOB research, an online seminar on realist evaluation, and to tell your IOB impact story (on how IOB has impacted your life), or to get a nice IOB T-shirt! More info on the IOB website!

www.uantwerpen.be/iob

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**The role of the private sector in sustainable development**

A new edition of Debating Development focuses on the role of private sector in sustainable development. Feel free to join in for presentations and lively debates every Tuesday from 22 October until 10 December 2019 at IOB. In the 2019 ‘Debating Development’ series we seek out the most contentious issues in the relationship between business and development. We organize timely debates between academics, NGOs and representatives from the private sector around six challenging topics.

The debates will take place on the following dates:

- 22 October: Corporate Social Responsibility and business ethics
- 29 October: Illicit financial flows
- 5 November: Philanthropy
- 12 November: Securitization and Conservation
- 26 November: Mining and political settlement processes in Africa
- 10 December: Degrowth - green growth

The full programme is on the website:

www.uantwerpen.be/debatingdevelopment