

Economic Sanctions as Instruments of American Foreign Policy

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By

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# ECONOMIC SANCTIONS AS INSTRUMENTS OF AMERICAN FOREIGN POLICY

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Throughout history, military and economic powers have used economic sanctions, blockades and boycotts as parts of their policies against other countries for many reasons. The United States is no exception. The United States uses economic sanctions as a foreign policy tool to pressure other countries for human rights violations, nuclear proliferation and aggressions and international terrorism. There is an assumption that economic sanctions imposed by the United States will become more and more effective because the United States has become more and more economically and militarily powerful after the collapse of the Soviet Union. The United States is a sole global power both militarily and economically. The effectiveness of sanctions, however, cannot be measured by regime or behavior change of a target country. It is naive to believe that regime or behavior change of a regime can take place just because of American foreign policy. There are many instances in the past where American diplomatic actions failed to change the behavior of a regime. There are also many examples in the past where American military actions, especially military intervention in Vietnam, failed to produce behavior or a regime changes. There are many cases of economic sanctions that failed to produce behavior change of a regime. The imposition of economic sanctions, in one form or another, as an instrument of foreign policy developed over centuries. There are many

good reasons why economic sanctions, in one form or another, such as blockades, boycotts and sieges, developed over centuries, and why some powerful countries are still using those as foreign policy tool. Economic sanctions are important and essential parts of effective and complex foreign policy. American foreign policy will be as simple as black and white and as weak as a paper tiger without economic sanctions. This thesis attempts to explain why economic sanctions are essential parts of American foreign policy. This thesis also examines arguments and counter-arguments regarding economic sanctions.

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## **Chapter 1: Introduction**

The United States has been imposing economic sanctions against many countries for numerous reasons, including human rights violations, nuclear proliferations, aggression, and international terrorism. Often, the United States uses sanctions to pressure a country to change its behavior, to change a regime of a country, and to punish a country for its policies. According to a study by Gary Hufbauer and Jeffery Schott, the United States applied sanctions sixty-two times out of ninety-one cases between the time of World War II and 1984 (Carter 1988, 11).

One of the statements of Genevan School of Thought (GST) regarding sanctions explains the following:

By the establishment of international economic sanctions [an international organization can enforce the law without military conflict]. This weapon is powerful, effective, relatively cheap, bloodless, and, moreover, easy to use to bring any aggressor to his knees. Economic sanctions have moral power. They enjoy universal support. States are innately rational. With the economic threat hanging over their heads, they will not find it worthwhile to deliberately wage war of aggression. (Simons 1999, 37)

One of the conventional, but controversial, sanctions theories is the “pain-gain” theory. It assumes that the sanctioning country will achieve its goals by inflicting pains upon a target country by imposing sanctions. The assumption is that people under sanctions will rise up against their regimes or pressure their government to change its

behavior because of economic hardship (Tostensen and Beate Bull 2002, 2). Opponents of the “pain-gain” formula argue that the assumption that sanctions cause economic hardships in a target country is false. They point out that political and economic systems, among others, are two of the major factors affecting economies of countries targeted by sanctions. They also claim that the “pain-gain” sanctions theory is counter-productive. Regimes targeted by sanctions often blame sanctioning countries for their own economic problems. With respect to sanctions, the Iraqi government, for example, argued, “The people of Iraq are today facing veritable destruction by a weapon that is just as dangerous as weapons of mass destruction; this has so far led to the death of 1 million persons, half of whom were children” (Tostensen and Beate Bull 2002, 2).

Since almost all countries targeted by sanctions tend to have high infant mortality rates, low literacy rates, and low gross domestic product, it is not surprising that the opponents of economic sanctions accuse sanctions to be culprits of those social indicators. Nikolic-Ristanovic wrote, “All up-to-date studies show that UN sanctions are completely counter-effective in their impact upon those responsible for war crimes and human rights violations. To the contrary, sanctions have disastrous effects on the health of ordinary people, in the first place on women and children” (Nikovic-Ristanovic 2001, 578). Critics of sanctions, however, fail to recognize that countries under sanctions tend to have civil wars, incompetent regimes, tyrannical political systems, domestic terrorism, and underdeveloped economies.

This thesis has three principal purposes:

- \* to illustrate the historical development of economic sanctions;

- \* to explain how the United States uses economic sanctions as instruments of its foreign policy;
- \* to explore whether there are statistically significant relationships between the imposition of sanctions and the type of government of target countries, and to explore whether perceived corruption has a stronger statistical relationship toward measures of development and modernization, such as the infant mortality rates, literacy rates and the GDP, more than the imposition of sanctions.

Chapter 2 of this thesis illustrates the development of sanctions from ancient to modern times. One of the earliest economic sanctions in history was the Megarian Decree in Greece in 432 B.C. The Megarian Decree was imposed by Pericles in response to the kidnapping of three Aspasian women. The chapter also explains the earlier forms of economic sanctions: the siege and boycott. An ancient code of conduct for the siege can be found in the Deuteronomic Code of the Old Testament. The boycott is one of the forms of economic coercion. The name for this concept of refusal to do something for or buy something from a person or a nation came from an English estate manager, Captain Charles Boycott.

One of the earliest American trade embargoes occurred in late 1807, when President Thomas Jefferson requested Congress to approve a trade embargo to avoid war with England and France. The embargo barred American vessels from departing for foreign countries and forbade foreign ships to carry American products. President Abraham Lincoln applied an economic blockade against Confederate coasts to prevent

military and commercial supplies from Confederate states during the American Civil War. One of the most critical events in the history of economic sanctions was the formation of the League of Nations. The League of Nations was the first global institution that used economic sanctions as a tool to punish or pressure countries for their unacceptable behavior. The United Nations is still applying economic sanctions today as parts of its policy to pressure its members to change their unacceptable actions.

Chapter 3 explains the application of economic sanctions as an instrument of American foreign policy and analyzes the uses of economic sanctions by the United States against China, Cuba, Haiti, Iran, Iraq, Libya, Pakistan, and Yugoslavia. The United States applied economic sanctions twenty-five times to change the behavior of other countries during the 1980s. Economic sanctions have become one of the most frequently chosen foreign policy options for the United States to force other countries to alter their actions ranging from human rights violations to weapons of mass destruction proliferation after the Cold War. Economic sanctions that are imposed against Iraq, Yugoslavia and Haiti are some of the most prominent and controversial sanctions in recent years (Selden 1999, 3).

American sanctions that are initiated by Congress have increased in recent years. Most of the American sanctions are approved by Congress and signed by the president as public laws. Some observers argue that the sanctions are appropriate actions to counter challenges that are not vital to the American interests. Sanctions are often being applied to express or register strong public disapproval of certain actions committed by other states. The American government sometimes imposes sanctions to satisfy domestic

political demands. Sanctions are also imposed to deter third countries from investing or trading with a target state (Haass 1998, 2).

One of the complex sanctions policies that the United States faces is its sanctions policy against China. The threat and imposition of sanctions have been fundamental foreign policy strategies of successive American governments to change both domestic and international actions of the Chinese regime. The United States has imposed or threatened to impose economic sanctions against China on two policy arenas: first, the United States has threatened to terminate China's Most Favored Nation trading status if the Chinese regime does not redress its human rights violations; secondly, the United States threatens or imposes economic sanctions against China to stop its sales of weapons of mass destruction technologies and ballistic missiles to rogue states (Ross 1998, 10).

From the 1990s to the present, Iraq has been one of the most interesting and difficult cases with respect to economic sanctions. Since the collapse of the Soviet Union in 1989, Iraq was the first country to be multi-laterally sanctioned for its regional military adventures. The United States, along with members of the United Nations, applied economic sanctions against Iraq to stop Iraqi aggression in the region. The Bush administration followed the Iraqi policy of Reagan administration in 1989. The purposes of the policy were to ensure limited relations with Iraq while monitoring the activities of Iraqi regime in the region (Melby 1998, 107).

American sanctions against Libya are also of interest to many observers of American sanctions policy. The United States has applied more than 20 sanctions against Libya that have prohibited various commercial ties with Libya since 1973. The American

government restricted transfers of chemicals that can be used to produce weapons, exports of American oil manufacturing equipment, imports of Libyan petroleum, commercial ties such as investments, contracts, and loans with Libya, and the transfer of Libyan assets in the United States. Along with members of the United Nations, the United States also employed economic sanctions against Libya to turn in two alleged Libyan secret agents for the bombings of Pan Am Flight 103 in 1998 and UTA Flight 772 in 1989 (Mark 2002, 5).

Chapter 4 attempts to verify with empirical evidence the assumption that authoritarian regimes are likely to be targeted by sanctions. The first section of the chapter tries to find statistically significant associations between the imposition of sanctions and military spending, military spending being a proportion of the GDP. The second section of chapter investigates whether there are statistically significant relationships between the imposition of sanctions and civil/political rights. The third section of the chapter examines whether there are statistically significant relationships between the imposition of sanctions and measures of development and modernization, such as infant mortality rates, literacy rates, GDP, and birth-death ratios. The fourth section of the chapter analyzes whether these measures of development have a stronger relationship with perceived corruption rather than with the imposition of sanctions.

## **Chapter 2: The History of Economic Sanctions**

Throughout history, countries have been involved in territorial and commercial disputes amongst themselves. There have been times in which stronger countries interfered in the internal politics of weaker countries. Countries resolved their disputes or disagreements by engaging in wars or political coercion, by assisting rebellion in target countries, and by imposing naval or inland blockades or economic sanctions. Although many countries resolved disputes through wars or blockades, economic sanctions have not been used much until recent times.

Since trade among countries in ancient times was very limited due to the lack of efficient transportation and communication, economic sanctions in those times were not very effective. To have effective economic sanctions, countries in disputes must have commercial relationships prior to the sanctions. The idea of imposing an economic sanction on a country or a group of countries seems to develop over time. The development of global economy increases the effectiveness of economic sanctions. Because of the lack of this type of development, naval or inland blockades and sieges were often used to resolve the international disputes among countries in the earliest time of history.

### **The Megarian Decree**

One of the earliest economic sanctions in history was the Megarian Decree in Greece in 432 B.C. The Megarian Decree was imposed by Pericles in response to the kidnapping of three Aspasian women (Simons 1999, 13). In his comedy, "The Archarnians," Aristophanes presents the Megarian Decree as the principal cause of the Peloponnesian

War (431-404 BC) between Athens and Sparta. Aristophanes wrote, “Then Pericles the Olympian in his wrath thundered, lightened, threw Hellas into confusion, passed laws that were written like drinking songs {decreeing} the Megarians shall not be on our land, in our market, and on the sea or on the continent...”(Simons 1999, 14).

The Megarian Decree was seen as an attempt by Athenians to provoke a war with Sparta. The Athenians, however, argued that the Decree was caused by Megarian intrusion onto Athenian sacred land and territory. The Athenians also accused the Megarians of harboring run-away slaves owned by the Athenians. Some scholars argued that Pericles was trying to punish the Megarians for their assistance on Corinth against Athens. Pericles seemed to believe that the Megarian Decree as an economic sanction would do punitive damage to the Megarians. By using an economic sanction as a punishment, Pericles was probably trying to avoid military conflict with the Athenians (Simons 1999, 14).

The Athenian Decree against the Megarians seems to have brought hardships to the civilian population in Megara. Because of the impact of the Decree against Megarians, the Spartans demanded the Athenians to withdraw the Megarian Decree. The Spartans also declared that war was inevitable if Athens did not withdraw its sanction against Megarians. Pericles refused to revoke the Decree by citing an Athenian law that prohibited him to take down the tablet on which the Decree was inscribed. The Spartans responded, “Then don’t take it down, turn the tablet around, for there is no law against that” (Simons 1999, 15). Pericles replied to the Spartans:

Let none of you think that you are going to war over a trifle if we do not



rescind the Megarian Decree...for this 'trifle' contains the affirmation and the test of your resolution. If you yield to them you will immediately be required to make another concession which will be greater, since you will have made the first concession out of fear. (Simons 1999, 15)

The Megarian Decree, imposed by the Athenians against the Megarians, led to the Peloponnesian War between Athens and Sparta in 431 B.C. After winning the Peloponnesian war against the Athenians, the Spartans became the undisputed leaders of the Greek world.

### **The Siege**

One of the earliest forms of economic sanctions is a siege. An army of a state surrounds the walls of a fortress to cut off both military and commercial supplies of a target state. The purpose of the siege is to force a ruler, a population, and combatants into submission by denying them necessary supplies such as food and water. One of the ancient codes of conduct for the sieges is the Deuteronomic Code in the Old Testament (Simons 1999, 16). According to the Deuteronomic code, "...thou shalt save alive nothing that breatheth, but thou shalt utterly destroy them (Deuteronomy, 20:16-17)...only the trees which thou knowest that they not be trees for meat, thou shalt destroy and cut them down; and thou shalt build bulwarks against the city...until it be subdued (Deuteronomy, 20: 19-20)" (Simons 1999, 16).

One of the ancient sieges is the Roman siege of Jerusalem in AD 72. Josephus explained the affect of the Roman siege of the city (Simons 1999, 17):

The restraint of the liberty to pass in and out of the city took from the Jews

all hope of safety and the famine now increasing consumed whole households and families; and the houses were full of dead women and infants; and the streets filled with the dead bodies of the old men. And the young men, swollen like dead men's shadows, walked in the market place and fell down dead where it happened.

Another example of an ancient siege is the siege against Baldwin de Redvers in 1138. Baldwin de Redvers defied King Stephen of England (1135-54) and held up behind a fortress in Exeter. He was pressured to negotiate with King Stephen after he had depleted his water supply. He again rose up against the King from Carisbrooke Castle on the Isle of Wight, and was driven out of the Castle after food and water supplies were cut off from it (Simons 1999, 18).

In March, 1257, the Mongol leader Mangu summoned the Caliph Mustasim of Baghdad to pay respect to him. Mustasim, a prominent Islamic leader revered by many Muslims, refused to pay homage to Mangu (Simons 1999, 19). The mighty Mongol Army sieged and later attacked and destroyed Baghdad, then the Capital of Islam, in January of 1258. The Mongol army slaughtered both the soldiers of the Caliph and ordinary Muslims (Simons 1999, 20).

One of the forms of economic coercion is the boycott. A boycott is an action imposed to accomplish the commercial and social isolation of a nation/group of nations or to force those nations to change their behavior. This refusal to do something for or buy something from a person or a nation is named after an English estate manager, Captain Charles Boycott. Because of Captain Boycott's fierce rent-collection practices, many

impoverished Irish renters refused to harvest for him (Carter 1988, 8).

American government historically imposed one form of sanction or another against the British for different reasons. After the passage of the Stamp Act, the Americans refused to buy British goods as a boycott in 1765. In late 1807, President Thomas Jefferson, to avoid war with England or France, persuaded Congress to approve a trade embargo. The embargo banned American vessels from departing for foreign countries and forbade foreign ships from carrying American products. The embargo, due to strong domestic opposition, was terminated in March 1809. After the British dictated the Americans to restrict American trade with France in 1811, the American government once again ceased trade with Great Britain (Carter 1988, 8).

In December of 1812, the British staged a naval blockade of the Delaware and the Chesapeake Bay as a form of economic sanction. The British also made an attempt to blockade the entire Atlantic and Gulf Coasts to destroy and damage the American commerce in early 1813. Right after signing a peace treaty with France, the British declared a naval blockade of the American coastlines at the end of May 1814. The British naval blockade against American coastlines severely interrupted American commerce. The British naval blockade against commerce proved to the Americans that economic sanctions in one form or another can have damaging affects on the target country (Simons 1999, 23).

During the American Civil War (1861-5), economic sanctions and blockades were also used to weaken opposing forces. President Abraham Lincoln ruled an economic blockade against Confederate ports to prevent both military and commercial supplies

from Confederate states on 19 April of 1861. The Union troops also bought or leased, and armed many commercial vessels to enforce the economic blockade against Confederate troops. With the advice of Professor Alexander D. Bache, The Navy Department formed a Board of Conference to enforce the economic blockade and operate naval operations efficiently (Simons 1999, 23).

Captain S.F. Du Pont, a member of the Board of Conference, mentioned the coastal blockades of Cape Henry, Cape Romain and Cape Florida in his memoir on 16 July, 1861. Regarding the coastal blockades, Rear Admiral Daniel Ammen wrote:

A blockade from within a harbor may be made effective by one or more ship without the fatigue and uncertainty attendant upon an exterior blockade which must be maintained beyond the range of the guns of an enemy in possession of adjacent coasts. Even thirty vessels blockading the two entrances to the Cape Fear River were unable to prevent the frequent arrival and departure of blockade-runners. (Simons 1999, 24)

According to the account of Rear Admiral Ammen, the Union had accomplished its goal in conducting and managing efficient naval blockades along the Southern coastal lines. The Confederates, with the assistance of privateers, tried many times to break the naval blockades of the Union troops. The Lincoln administration, on 3 February 1862, declared that the Union would treat detained Confederate privateers, who attempted to violate the naval blockade, as prisoners of war. The seceding Southern states, with poorly equipped vessels, had a hard time countering the Union naval might (Simons 1999, 25). The strong Union navy blockaded 3500 miles of coastal lines with 10 important ports and 180 inlets

and bays. One of the Confederate ships, the *Sumter*, however, got through the naval blockade at the mouth of the Mississippi in June 1861. The *Sumter*, over the next six months, successfully seized and destroyed 18 Union naval ships that were part of the naval blockade. The Union ships, in January 1862, captured and destroyed the *Sumter* at Gibraltar. One of the Union officers wrote to his mother that the burdens of the blockade were to “go to the roof on a hot summer day, talk to a half-dozen degenerates, and descend to the basement, drink tepid water full of iron rust, climb to the roof again, and repeat the process at intervals until fagged out, then go to bed with everything shut tight” (Simons 1999, 25).

The Confederate blockade runners, on the other hand, seemed to enjoy their experiences of running from the Union naval blockade. One British officer noted, “Nothing I have ever experienced can compare with it. Hunting, pig-sticking, steeple-chasing, big-game hunting, polo— I have done a little of each—all have their thrilling moments, none can approach running a blockade” (Simons 1999, 25). The crews of the blockaders, nevertheless, were well compensated. The blockaders were given half the proceeds from every captured vessel. After the capture of two blockade runners in the autumn of 1864, the captain of the naval ship *Aeolus* received \$ 40,000, and the officers were compensated with \$8-20,000. The ordinary seamen of the *Aeolus* obtained \$3000 each (Simons 1999, 25).

Like blockaders who received financial incentives for the capture of the running ships, the runners also had profits if they could successfully run a blockade. The runners usually bought guns, ammunition, army blankets, salts, tea and other goods in Havana or

Bermuda and then brought back cotton for the return trip. The captain of the runners usually earned up to \$5000 for a successful round trip, while other officers could make as much as \$3500. Over the period of the American Civil war, some 500 ships participated in naval blockade against Southern seceding states. The Union naval blockaders captured or destroyed 1500 evading Confederate and privateer vessels. A Southern naval officer, after the war, admitted that the naval blockade of the Union denied the Confederates of both military and civilian supplies, and undermined the strength of the Confederate military and navy (Simons 1999, 26).

In Europe in the late 1860s, the tensions between France and Prussia were growing. France, which had a larger population than Prussia, seemed to have stronger and better armed forces than those of Prussia. The French army had been actively operating around Europe, including Crimea and Italy. The French navy was more powerful than that of Prussia. France and Prussia started the Franco-Prussian War in July 1870. In early September, the French army surrendered to advancing Prussian forces in Sedan. At the same time in Paris, the French imperial government was overthrown (Simons 1999, 27). The advancing Prussian forces later sieged the French Capital, Paris. After the four months siege, a cease-fire was agreed on 28 January 1871. The truce did not necessarily develop into a peace agreement between two countries, however. The Prussian siege of Paris took a huge toll on Parisians. One of the Parisians, Edmond de Goncourt, wrote in his journal, "People are talking only of what they eat, what they can eat, and what there is to eat. Conversations consist of this, and nothing more...Hunger begins and famine is on the horizon." Because of the Prussian siege, cheese, butter, milk, fresh vegetables, the

vast herds of cattle and sheep disappeared within months in Paris (Simons 1999, 27).

The four month Prussian siege against Paris caused the loss of many lives. Infants, the sick, and the old suffered the most. Almost 5,000 Parisians died under the Prussian siege.

The French National Assembly was formed to decide whether the French should continue the war with Prussia on 8 February. The Assembly also tried to decide what terms of the peace agreement the French should pursue against Prussians (Simons 1999, 29). The new French National Assembly included 400 monarchists, 200 Republicans, and 30 Bonapartists. The monarchists were popular in the country because of their pro-peace position. The majority of the French seemed to prefer peace with the Prussians even if they had to give up some French territories. The Republicans, on the other hand, were determined to fight with the Prussians to save French territories. The National Assembly, held from 13 February to 10 March at Bordeaux, could not decide on a permanent form of French government. Before deciding the terms of the peace agreement with Prussia presented by Bismarck, The Assembly came to an end without any resolutions (Simons 1999, 29).

Because of the fierce disagreement between assembly members, civil war broke out between Parisians and the National Assembly. A newly selected deputy, Vicomte de Meaux, wrote, “We provincials were unable to come to an understanding with Parisians. It seemed as if we did not speak the same language...” A left-wing chronicler observed that the Parisians, “...found themselves confronted by forty years of greedy hatreds, provincial notables, grainless musketeers, clerical dandies...a completely unsuspected world of towns ranged in battle against Paris; the atheistic, the revolutionary city which

had created three republics and shattered so many idols” (Simons 1999, 29).

Since neither Parisians nor the municipal council of Paris, *Commune de Paris*, would support the French national government to fight against the Prussians, the French government in Versailles attacked and sieged Paris. It took the Versailles government two months to defeat the *Commune de Paris*. The *Times* of London on 29 May 1871 noted, “The laws of war! They are mild and Christian compared with the inhuman laws of revenge under which the Versailles troops have been shooting, bayoneting, ripping up prisoners, women and children during the last six days.” The Versailles government killed as many as 25,000 Parisians. The Versailles siege of Paris produced more deaths than the Prussian siege of Paris, in which less than 5,000 Parisians were killed (Simons 1999, 30).

The previous examples have shown that sieges, naval blockades, boycotts and other economic sanctions undermine both military and commercial strength of fearless enemies. The Napoleonic wars, the American Civil War, the Prussian siege of Paris, and the Versailles siege of Paris have proven the decisive power of economic sanctions in times of war. Forceful economic measures not only deprived the enemy of commercial and military supplies but also weakened the morales of enemy combatants and population (Simons 1999, 30).

The United States government was planning war strategies, including economic measures, against other countries even before the First World War. One of the strategies, War Plan Orange, was developed by the U.S. Navy in 1906 to defeat Japan in a potential future war. The strategy called for a comprehensive commercial blockade of Japan



(Simons 1999, 30). According to the war plan, the U.S. Navy would blockade the coastal lines of Japan. The Navy would stop and search neutral commercial vessels for U.S.-defined contraband in the seas around Japan (Simons 1999, 31).

Germany and Great Britain imposed comprehensive economic sanctions against each other after the outbreak of war between them in 1941. The British government declared the lists of commodities that were illegal to import from or export to Germany. The British also limited the trading rights of commercial ships from neutral countries. The United States government protested the British restrictions on American trade with Britain on 26 December. Germany also declared that they could not guarantee the safety of international ships around British Isles on 4 February (Simons 1999, 31). To counter German submarine warfare, the British, on 11 March, implemented a total blockade of Germany despite the United States's objection. Regarding the British blockade against Germany, one commentator noted:

Apart from the traditional use of the methods of blockade and contraband, the efforts of the belligerents to cripple their opponents by curtailing their economic resources were reinforced by other practices...On the British side, new devices were evolved with the objects of preventing supplies from reaching enemy destination through adjacent neutral territory.

(Simons 1999, 31)

The United States raised repeated protests against the British trade restrictions. The American government urged the British to comply with the Declaration of London (1909) that protected trading rights of neutral countries. The United States, however, joined the

British in enforcing the German blockade after it entered the war in 1917. The German economy then suffered the large impact of economic sanctions by both the British and the Americans. German exports dropped from 10,900 to 3000 in millions of marks, and the imports declined from 11,600 to 5900 in millions of marks between 1913 and 1918. The economic measures utilized during the First World War were more effective than those of Pre-World War I. The blockade during the World War I was also quite different from the ones that were used against the Confederates, the Parisians, and the Megarians (Simons 1999, 32).

The Germans countered the British blockade by attacking both military and commercial ships with submarines. The British stopped and searched commercial ships from neutral states and established a system to keep track of those ships. The British also persuaded neutral countries to limit commercial ties with Germany. Blacklists were issued against countries which had strong commercial relations with Germany. An observer noted, "This was a new kind of blockade, enforced at long range through control of contraband and by agreement with the neutrals, and bearing little resemblance to the old style direct naval blockade of the enemy coast" (Simons 1999, 32).

An official statement from the British government explaining the characteristics of the blockade against the Germans is an example of how economic measures, especially blockades, became sophisticated during the First World War:

1. German exports to overseas countries have been almost entirely stopped. Such exceptions as have been made are in cases where a refusal to allow the export of the goods would hurt the neutral concerned without inflicting

any injury upon Germany (Simons 1999, 32).

2. All ships to neutral countries adjacent to Germany are carefully scrutinized with a view to the detection of a concealed enemy destination.

Wherever there is reasonable ground for suspecting such a destination the goods are placed in the prize court. Doubtful consignments are detained until satisfactory guarantees are produced.

3. Under agreements in force with bodies of representative merchants in several countries adjacent to Germany, stringent guarantees are exacted from importers, and so far as possible all trade between the neutral countries and Germany...are restricted.

4. By agreement with shipping lines and by a vigorous use of the power to refuse bunker coal, a large proportion of the neutral mercantile marine which carries on trade with Scandinavia and Holland has been induced to agree to conditions designed to prevent goods carried in these ships from reaching the enemy.

5. Every effort is being made to introduce a system of rationing which will ensure that the neutral countries concerned only import such quantities of the articles specified as are normally imported for their own consumption.

(Simons 1999, 33)

Under the extensive and systematic British blockade, the German economy suffered substantially. The British efficiently stopped the important German imports such as cotton, wool, rubber and other products. The dearth of commodities including fats, oils,

diary produce, and meat had created hyper-inflation. Food riots broke out in many German towns. A member of the British War Cabinet, Lord Curzon, spoke regarding Germany's situation:

I doubt very much whether, if Germany had anticipated when she plunged into war the consequences, commercial, financial, and otherwise, which would be entailed upon her by two, three or four years of war, she would not have been eager to plunge in as she was.

The historian, Linddell Hart, described the German authorities tormented by the blockade as "the specter of slow enfeebleness ending in eventual collapse." Margaret Doxy, a war observer, concluded that the British blockade "was undoubtedly a factor in Germany's defeat" (Simons 1999, 33).

Until the establishment of the League of Nations in 1918, many states imposed economic sanctions, especially blockades, as part of military confrontations. After the creation of the League of Nations, countries envisioned economic sanctions as an alternative to military confrontation in dealing with other states. Article 16 of the League of Nations prohibits all members from having commercial ties with any countries that use military force to resolve disagreements with others (Carter 1988, 9).

The League of Nations successfully imposed economic sanctions against two small countries in the early 1920s. The League, however, ineffectively imposed an economic sanction, including an arms embargo, against Italy for invading Ethiopia in October 1935. Many countries, including the United States and the Soviet Union, which were not members of the League, exported vital commodities like petroleum, coal, steel,

and pig iron to Italy in violation of the economic sanction. Mussolini took over Addis Abba in May 1936 despite the League's economic sanction and arms embargo against Italy. The League then lifted economic sanction against Italy (Carter 1988, 10).

Economic sanctions during World War II seemed to have a huge impact on targeted countries. The Allies' trade embargo against Axis countries led to the defeat of Japan, Italy, and Germany during the Second World War. The Alliance also used a strategy of purchasing strategic materials from neutral countries to deprive Axis countries of both commercial and military supplies. One of the Axis countries, Japan, suffered the impact of economic embargo most heavily, since Japan imported almost all of its raw materials from other countries (Carter 1999, 10).

Economic sanctions were used very often for many reasons after World War II. According to a study done by Gary Hufbauer and Jeffery Scott, at least 91 cases of economic sanctioning occurred from World War II to 1984. The United States imposed sanctions 62 times out of those 91, the study found. The United Kingdom used sanctions twelve times after World War II. The Soviet Union used ten sanctions against other countries, and the Arab League and its member states utilized a petroleum embargo against four countries (Carter 1999, 11).

### **Chapter 3: Economic Sanctions as Instruments of American Foreign Policy**

Throughout history, powerful countries have used a wide range of foreign policy options when it comes to threats of their national security interests. One of the extreme foreign policy options to counter a national security threat is the use of military force. The other extreme policy option is inaction. After the Cold War, because of its extensive interests around the world, the United States got involved in regional conflicts that could not be settled easily and quickly. Because of American involvement in many regional disputes, many countries came to view the United States as a virtual global policeman, a perception that does not serve American security interests well (Selden 1999, 1).

The United States will be seen as the world's bully if it tries to resolve every conflict by military means. American inaction against a regional conflict that has the potential to affect American national security interests either directly or indirectly, on the other hand, can lead to American isolationism. American inaction against a regional conflict also can lead to a greater and wider conflict in the region. If the United States withdrew from world affairs, especially regional disputes that can affect American security interests, another country would likely fill the power vacuum, and that country could become America's adversary (Selden 1999, 1).

Military intervention as an American foreign policy tool in conflicts is getting harder to justify after the Cold War. The first question to face American leaders considering the use of military forces to resolve a conflict is whether it can be justified in terms of costs. American leaders must consider whether the benefits of the use of force outweigh the loss of lives and military expenditures. The second question for leaders is

what the criteria for intervention are in a regional conflict. Since there will be many disputes around the world at a certain time, American leaders have to decide which one is more important than others to militarily intervene (Selden 1999, 1). There were many conflicts in Africa when the American military was trying to restore order in Somalia in 1992. The American government recalled its unnecessary embassy staff in Liberia due to the fighting among Liberians at the same time that the American forces were restoring stability in Somalia (Selden 1999, 2).

Although there were successful uses of military force such as in the Gulf War, with Panama, and in the Haiti intervention, many experts have warned the United States to scale down its military involvements around the world, and concentrate its resources on domestic concerns instead. They also argue that the United States has sacrificed its economic interests to preserve relations with allies. The Americans must confront social problems that are weakening American society and its economic competitiveness with other countries, rather than military interventions in many countries (Selden 1999, 2).

Unlike military interventions, the American inaction in international affairs or American isolationism has the potential to encourage new and wider regional conflicts that would ultimately threaten American security interests (Selden 1999, 2). Many powerful countries in history have faced greater dangers because of their inactions against other countries. The British were confronted by greater threats from Napoleon when it neglected to strengthen the British navy after fights with revolutionary France a few years earlier. Hitler built up his military forces and became a great threat to Britain after the British inaction against him (Selden 1999, 2).

Inaction, like many military interventions around the world simultaneously, is a dangerous alternative for many great powers historically. Because of the disadvantages of both military intervention and inaction in international affairs, many countries, especially powerful ones, have relied on a moderate foreign policy option, an economic sanction, in recent years. Economic sanctions became more and more effective, as most countries are reliant on foreign materials for their economies. Economic sanctions can be used to display disapproval of an action of a certain state. Proponents of economic sanctions argue that the target country would suffer economically and be compelled to change its behavior after deprivation of necessary foreign goods and supplies (Selden 1999, 3).

The United States imposed economic sanctions 25 times to change behaviors of other countries during the 1980s. Economic sanctions have become one of the most frequently chosen foreign policy options for the United States to force other countries to alter their actions ranging from human rights violations to weapons of mass destruction proliferation after the Cold War. Economic sanctions that are imposed against Iraq, Yugoslavia and Haiti are some of the most prominent and controversial sanctions in recent years (Selden 1999, 3).

As one of the most powerful economic powers, the United States has used economic sanctions as foreign policy tools more than any other country in the world. From 1993 to 1996, a study reports that the United States imposed economic sanctions against at least 35 countries. The American government imposes economic sanctions to halt proliferation of nuclear, biological, and chemical weapons and ballistic missiles, to encourage democracy and the respect of human rights, to stop terrorism and drug



smuggling, to prevent wider regional conflicts, to preserve the environment from deterioration, and, in some cases, to remove undemocratic governments (Haass 1998, 1).

In recent years, American sanctions that are imposed under legal bases have increased. The president or his appointed representatives impose sanctions under federal statutes. Most of the American sanctions are approved by Congress and signed by the president as public laws. Some observers argue that the sanctions are appropriate actions to counter challenges that are not vital to the American interests. Sanctions are being used to express or register strong public disapproval of certain actions committed by other countries. The American government sometimes uses sanctions to satisfy domestic political needs. Sanctions are also imposed to deter third countries from investing or trading with a target country (Haass 1998, 2).

American government sometimes employs sanctions as an alternative to the costly military intervention. An American Catholic Bishop once said, "Sanctions can offer a nonmilitary alternative to the terrible options of war or indifference when confronted with aggression or injustice" (Haass 1998, 2). The American government often used sanctions to satisfy single-issue constituencies in domestic politics. When there are no countervailing forces, small and organized single-issue interest groups such as exiles from Cuba have substantial influence on the government to impose sanctions (Haass 1998, 3).

Many domestic groups or constituencies in the United States argue that sanctions brought down the Communist government in the Soviet Union and the South African Apartheid regime. Members of Congress, in order to satisfy their domestic constituencies

or special interest groups, have recently introduced more and more economic sanctions as legislation or amendments of legislation. One of the reasons for increasing the use of sanctions as American foreign policy is greater media coverage of conflicts around the world by CNN and other cable news networks. The greater visibility of problems in other countries forces the American government to take actions (Haass 1998, 3). I would like to explore how the United States uses economic sanctions as a part of its foreign policy with China, Cuba, Haiti, Iran, Libya, Pakistan and Iraq.

### **American Foreign Policy with China**

The warning and the imposition of sanctions have been fundamental foreign policy strategies of successive American administrations, used to alter both the domestic and international behavior of the Chinese government. The United States has imposed or threatened to impose economic sanctions against China in two policy arenas. First, the United States has threatened to end China's Most Favored Nation trading status if the Chinese government does not correct its human rights violations. If the Americans revoked China's MFN status with the US, Chinese companies would not have access to the American market. The American government has also imposed sanctions against China to stop its sale of weapons of mass destruction technologies and ballistic missiles to rogue states (Ross 1998, 10).

The threat or application of American sanctions against China for non-proliferation policy seemed to be effective, because the Chinese government understood that the American administration has the willpower to achieve its goal to stop nuclear proliferation, and because the costs of compromise also were minimal for China. The

American threat to end the MFN status against China for human rights abuses failed, however, because the Chinese believed that the American government did not have the desire to bear the costs of sanctions for human rights violations. The Chinese leaders sometimes conceded the demands, especially the demands to release particular political prisoners, of the American presidents when they believed that the presidents were under intense pressure from domestic constituencies to achieve the demands (Ross 1998, 11).

In June 1989, many Americans saw the Chinese democracy movement and the violent reactions of the Chinese government against democratic activists in Beijing. The Americans demanded their government to implement a Chinese policy that is compatible with American values. Americans were shocked to see the brutality of the Chinese Communist regime against non-violent democratic activists. President Clinton in 1994 threatened to withdraw China's MFN status with the U.S. if the Chinese government committed human rights violations. The United States demanded that the Chinese leaders to release political prisoners (Ross 1998, 11).

The American threat to revoke China's MFN trading status with the U.S. for human rights abuses was based upon the Jackson-Vanik amendment to the 1974 trade pact. The amendment was initially approved by Congress to force Communist countries to allow free immigration, especially that of Jews from the Soviet Union and other Communist countries. The amendment was used against China for its human rights infraction in June 1989. The amendment demands the president to certify that the country in question has improved its human rights conditions before that country's MFN trading status can be extended every year. China, by the Jackson-Vanik amendment, experienced

the danger of losing its MFN trading status with the United States every year from 1989 to 1994 (Ross 1998, 11).

From 1989 to 1994, the momentum of negotiations between the American and Chinese government to improve Chinese human rights abuses significantly changed. There were three periods of negotiation between China and the United States. A complex combination of international and domestic needs provided negotiators the unique dynamics of negotiation in each period of Sino-American negotiation. After the violent crack-down against the democracy uprising in June 1989 in Beijing, the United States, with the assistance of international criticisms of Chinese response to protesters, had an upper hand in negotiations with China on human rights issue (Ross 1998, 13).

The Chinese regime was also isolated by many major world powers after the violent repression against peaceful demonstrators in Tiananmen Square. China's importance in American national security diminished after the demise of the Warsaw Pact in Europe, which ceased the strategic triangle among American-led NATO, Soviet-led Warsaw, and China. American domestic politics also forced the president to do something about Chinese behavior in Tiananmen Square (Ross 1998, 13).

The second period of the American threat to sanction because of Chinese human rights violations took place from late 1991 to the end of Bush's presidency. The threat of American economic sanctions led the Chinese to a compromise; China freed nine political prisoners in January 1992. In April, the Chinese government issued information with respect to its most renowned and longest incarcerated dissident, Wei Jingsheng. China gave short sentences to eleven political prisoners in February (Ross 1998, 15).

The third period of negotiations and the threat to use economic sanctions on human rights issue between the United States and China happened during the first year and a half of the Clinton Administration. In this period, the president, not Congress, threatened to use sanctions to improve human rights violations in China. Unlike other periods of negotiations on human rights issue, domestic politics did not play a significant role during this period because the Democrats controlled both the presidency and Congress in the United States, and the Chinese government under Deng Xiaoping did not have strong opposition within the Communist Party (Ross 1998, 15).

A number of policy recommendations can be made to improve the effectiveness of economic sanctions against China. The United States will be better off applying limited sanctions, rather than comprehensive sanctions that are costly. The Chinese leaders compromised with the limited sanctions that were applied to achieve non-proliferation policy. The United States can gain credibility by imposing limited sanctions while threatening to use comprehensive sanctions if Chinese government does not follow American non-proliferation policy (Ross 1998, 28).

The threat of economic sanctions against China has stimulated responsiveness when the American government has offered incentives for compliance. Chinese leaders have not attempted to avoid sanctions if they believed that the administration would not end sanctions or try to improve relationships. President Clinton's sanction policy against China did not succeed, because the administration did not explain clearly to the Chinese leaders that the sanctions would be lifted if China complied with American demands (Ross 1998, 29).

The Chinese government conceded to American demands when it believed that compromise with Americans could achieve improved relationships. With improved relations with the Americans in mind, Chinese leaders agreed to stop missile exports to Syria and Pakistan in 1992. Chinese regime also ended its nuclear assistance to Pakistan in 1996. In 1995-97, China negotiated with the United States on the issues of nuclear energy cooperation between China and Iran (Ross 1998, 29).

The threat of sanctions toward China can be successful if the president's policy options are severely limited due to opposition-controlled Congress. The implications of domestic politics in China can also affect the effectiveness of the sanctions or the threat of sanctions. Chinese leaders will not be able to compromise with American demands if Chinese leadership is experiencing domestic political infighting. The United States should wait to impose sanctions until they can see that there are indications that the Chinese government is experiencing domestic political struggle (Ross 1998, 29).

Since it can inflict huge costs on American vital interests, China can ignore the threat of economic sanctions. The vital American interests at risk with Asia are economic development, peace, and stability. Because of these commercial and geopolitical interests, the United States can confront or threaten China to impose economic sanctions only on important issues. China is one of the most powerful countries that can harm American interests severely (Ross 1998, 30).

### **American Foreign Policy with Cuba**

The U.S. economic sanction against Cuba has been in place for more than thirty years. The reasons and the objectives for this sanction have changed during these 36 years. One

of the main purposes of imposing sanctions against Cuba was to change the behavior of Fidel Castro and his communist regime. The United States, which sees the Cuban government as a threat to American strategic interests, would like to change the Castro regime. The United States also wants to isolate and contain Cuba away from international communities (Purcell 1998, 35).

The American government attempted to take advantage of Cuba's economic weakness after the demise of the Soviet Union and the discontinuation of the Soviet Union's substantial assistance to Cuba by imposing tighter sanctions. Opponents of American sanctions against Cuba argued that the sanctions against Cuba were not effective for decades, and that the time was ripe for a change in Cuban policy. The Castro government, they contended, would change its behavior to carrot, rather than stick. Proponents of sanctions asserted that sanctions did not work during the Cold War because the Soviet Union provided Cuba with billions of dollars in aid (Purcell 1998, 35).

Economic sanctions, supporters said, might be able to achieve a regime change in Cuba in Post-Cold War era. It is not possible to judge which side of the argument is right. Supporters of sanctions would declare that their argument is correct if the Cuban government were to crumble. Critics of the sanctions would counter argue that a regime change was due with the end of Soviet aid. They also argue that the new global economy, the information technology, and the engagement policy by European countries, not American economic sanctions, would lead a regime change in Cuba (Purcell 1998, 36).

Opponents of sanctions, however, have a clear advantage on the debate. Since sanctions have been in place for more than thirty years against Cuba without the collapse

of Cuban government, they can clearly criticize that sanctions policy cannot achieve regime change in Cuba. Their preferred approach, a policy of engagement with Cuba to become more democratic and less threatening to American interests, has not been proven wrong because the United States has never used the policy of engagement with Cuba. While there are two sides of the argument on the sanctions debate, American policy of sanctions against Cuba has never produced strong public opposition from American people in its history (Purcell 1998, 36). In fact, successive American governments never had a difficult time convincing Americans, especially after the Cuban missiles crisis in 1962, that the Castro regime presented a threat to American interests. American people are also convinced that Soviet government had significant influence over Castro's government because of growing Soviet aid to Cuba. Significant opposition against American sanctions developed within the United States after the demise of the Soviet Union. The normalization of relations between the American and other Communist regimes, such as Vietnam and North Korea, also strengthened the argument of the critics that engagement, rather than punishment, with Cuba could produce better results (Purcell 1998, 36).

One element of the Cuba sanctions debate is the influence of the Cuban American population in two of the important electoral states, Florida and New Jersey. Florida and New Jersey, which have highly influential Cuban American voting blocks, are two of the most important states in presidential elections. The Cuban American National Foundation, which is well organized and financially strong, always lobbies elected officials for sanctions against Cuba. Opponents of sanctions against Cuba argued that the sanctions



are illegitimate, because the American sanctions policy only reflects the position of a small but powerful Cuban American pressure group (Purcell 1998, 37).

In April 1959, the new Cuban leader cancelled elections and declared that Cuba did not need American economic aid. The new Cuban government implemented an agrarian reform law that took away American-owned properties for public use on the island in May. Cuba and the Soviet Union approved a trade pact in which the Soviet government promised to buy sugar from Cuba. The Soviet Union also agreed to provide crude oil to Cuba in February 1960. President Eisenhower then demanded the Central Intelligence Agency to give military training to Cuban exiles to invade Cuba in March 1960 (Purcell 1998, 37).

The Cuban government ordered foreign-owned oil refineries to process Soviet crude oil and confiscated those refineries when they refused to accept Soviet crude oil in June 1960. In response to Cuban government's action, the United States Congress demanded President Eisenhower to prohibit the annual sugar quota from Cuba. On 5 June 1960, Cuban government ordered the nationalization of American properties. The Castro regime also confiscated American-owned banks, industrial, agricultural, wholesale and retail companies between August and October of 1960 (Purcell 1998, 38).

The Castro regime commanded the American Embassy to reduce its staff to eleven, and ordered the rest of the embassy staff to leave the island within two days on January 1961. The American government then severed diplomatic ties with Cuba and forbade Americans to travel to Cuba. On 16 April 1961, Castro announced his revolution as a socialist revolution. The Bay of Pigs invasion followed the next day; however, the

invasion failed to bring down Castro's regime (Purcell 1998, 38).

Congress voted for the Foreign Assistance Act of 1961, which forbade assistance to Cuba and instructed the president to exercise "a total embargo upon all trade between the United States and Cuba" on 4 September 1961. On 7 February 1962, President John Kennedy announced an embargo on all trade with the island. Congress, on the first of August, amended the Foreign Assistance Act to restrict American assistance to countries that assisted Castro's government. The Act also banned third countries from re-exporting goods originated from the United States (Purcell 1998, 38). The Treasury Department "vigorously pursued an informal policy of applying pressure to United States companies to ensure that their foreign affiliates refrained from engaging in any transaction with Cuba." In January 1962, the Organization of American States (OAS) prevented the Castro regime from taking part in the inter-American system and declared limited sanctions against Cuba. Two years later, the organization again passed a resolution that required members to terminate diplomatic relations with Cuba (Purcell 1998, 39).

In the 1970s, American concerns of Soviet expansion in the Western Hemisphere declined. By the end of 1960, the American-supported militaries defeated Latin America's Marxist guerilla movements. The defeat of Marxist rebels in Latin America loosened the tensions between the Soviet Union and the United States. After the American defeat in Vietnam, Latin American governments tried an independent course from the United States in the region. The OAS voted to repeal its sanctions against Cuba in 1975 (Purcell 1998, 41).

To promote American relations with third countries and to comply with the OAS

resolution with respect to trade with Cuba, President Ford loosened the restrictions against foreign affiliates trading with Cuba. The administration also eased restrictions against third countries exports of American originated commodities to Cuba. The Ford administration's limited attempts to improve relations with Cuba suddenly ended when Castro decided to send Cuban troops to Angola to assist the Popular Movement for the Liberation of Angola (MPLA) (Purcell 1998, 41).

President Jimmy Carter did not agree with the argument that Cuban intervention in Angola posed a threat to American national interests. The president later loosened the sanctions against Cuba and declared his intentions to normalize American relations with Cuba. The Carter administration lifted the restrictions on travel to Cuba. The administration also approved the opening of American and Cuban interests in Havana and Washington (Purcell 1998, 41).

The Carter administration's attempts to promote diplomatic ties with Cuba were damaged when Castro regime decided to send troops to fight along the side of Marxist guerilla in Ethiopia in late 1977. The Castro government maintained that the disagreements between the United States and Cuba on international issues could be compromised but they were not relevant to the discussions to normalize diplomatic relations between the two countries. Some observers argue that Castro, in many instances, seemed to view the more lax policy toward his government as a sign of American weakness and took advantage of this perceived American weakness (Purcell 1998, 42).

When Ronald Reagan won the presidential election in 1980, American policy towards Cuba changed significantly. The new administration tightened the restrictions on

travel to Cuba by American citizens. The American government allowed only professionals to travel to Cuba for research in 1982. Congress, in 1988, requested the administration to send a number of recommendations to restrict imports from Cuba. The tightened sanctions were imposed to pressure Cuba not to assist Marxist revolutions around the world (Purcell 1998, 43).

Critics of sanctions policy against Cuba expected more liberalized American policy towards Cuba after the demise of the Soviet Union. They believed that sanctions were no longer needed after the Cold War, because the sanctions were linked to Soviet threats to American security interests prior to the Soviet collapse in 1989. While running for re-election in 1992, President Bush favored tightened sanctions against Cuba to gather support from hard-line Republicans and Cuban Americans in Florida and New Jersey. President Bush prohibited commercial ships between the United States and Cuba in early 1992 (Purcell 1998, 45).

The Democratic Presidential candidate, Bill Clinton, campaigned supporting tighter Cuban legislation through the Cuba Democracy Act in the presidential election of 1992, an act which was introduced by Congressman Robert Torricelli of New Jersey. The Bush administration ended up supporting the Cuban Democracy Act of 1992. The Act would punish companies whose affiliates had commercial ties with Cuba, and demanded that the president cut off assistance to any countries giving aid to Cuba. The legislation restricted travel to Cuba by American citizens (Purcell 1998, 45).

Even though the proponents of American sanctions against Cuba expected the collapse of the Castro regime because of the application of sanctions for 36 years, the

economic sanctions against Cuba did not lead to a regime change in Cuba. The sanctions failed to produce the result that some people expected to achieve: the collapse of the Castro regime (Purcell 1998, 52). The embargo against Cuba, however, did succeed if the goal of the sanctions was just to change the behavior of Cuban government, especially after the collapse of Soviet Union and discontinuation of Soviet aid to Cuba (Purcell 1998, 53).

The American embargo against Cuba resulted in a Cuban hard currency crisis and forced the Castro regime to privatize parts of the Cuban economy (Purcell 1998, 53). There were two significant legislations that tightened the economic embargo against Cuba: the Cuban Democracy Act of 1992 introduced by Congressman Torricelli, and the Cuban Liberty and Democratic Solidarity Act of 1996, which was sponsored by Senator Jesse Helms and Congressman Dan Burton (Purcell 1998, 48). One of the remaining questions in the Cuban sanctions debate is whether democratic and free market reforms can be accomplished after a regime change in Cuba if the United States maintains sanctions after the demise of the Castro regime (Purcell 1998, 54).

Many critics of the Cuban embargo argue that the termination of the embargo would help the establishment of a peaceful and stable democracy in Cuba. They also propose that the American government lift sanctions gradually and conditionally. If past experiences with the Castro government are a guide, however, constructive or conditional engagement with Castro will never succeed. There is no evidence to believe that Castro will change his behavior without American sanctions (Purcell 1998, 54).

Supporters of sanctions maintain that potential Cuban leaders will have a hard

time adopting Fidelism if the sanctions remain in place after Castro. Critics of the embargo, on the other hand, say that a civil war or military coup will follow if the American government maintains the embargo after the collapse of the Castro regime. The American government will maintain sanctions against Cuba as long as the most influential voters, Cuban Americans in Florida and New Jersey, support and lobby for the application of sanctions against Cuba in presidential elections (Purcell 1998, 55).

### **American Foreign Policy with Haiti**

Haiti was ruled by successive short-termed authoritarian governments after the fall of Dictator Francois Duvalier in 1986. Left-wing candidate Jean-Bertrand Aristide, however, won the free and fair presidential election and took over power after a failed coup attempt in 1990. Newly elected President Aristide made dramatic governmental changes and tried to reform the distribution of scarce resources of the government. Haitian powerful elites were unsettled by Aristide's extra-parliamentary tactics to reform the government, and were concerned that the president would take away their privileges. After seven months in office, President Aristide was toppled by the armed forces headed by Lt. General Raoul Cedras (Rose 1998, 57).

American leaders faced two fundamental questions regarding the military coup in Haiti. The first question was whether Americans should be involved in the power struggle among Haitian domestic political groups. The other questions were how the Americans should get involve in Haitian domestic affairs, what policy objectives the Americans set, and how are they going to achieve those objectives. The Bush administration initially decided that the intervention in Haiti was necessary to restore the democratically elected

Aristide. Administration believed that the return of the democratically Haitian government could be obtained by economic sanctions and diplomatic pressures (Rose 1998, 57).

The Bush administration soon realized that they miscalculated the power and effectiveness of the embargo and Haitian social and political fracture. The escape of many Haitian refugees to Florida posed a compounding problem for the administration. The Bush administration returned the refugees to Haiti by force and put off Haitian policy from his immediate agenda (Rose 1998, 58). The foreign ministers from the OAS called for immediate return of Aristide and threatened coup leaders to use diplomatic and economic sanctions (Rose 1998, 59).

The Bush administration, which led the passage of the Santiago Commitment, a commitment to defend democratic governments of members of OAS, reacted forcefully to the Haitian coup. Secretary of State James Baker told members of the OAS:

It is imperative that we agree—for the sake of Haitian democracy and the cause of democracy throughout the hemisphere—to act collectively to defend the legitimate government of President Aristide. Words alone are not going to suffice. This is a time for collective action.

Bernard Aronson, assistant Secretary of State for Inter-American Affairs, said, “Every time democracy is threatened by the military in this hemisphere it sends off potential shockwaves and we want to make clear that this kind of behavior has a terrible price” (Rose 1998, 60).

As a show of his support for the democratically elected leader, President Bush

invited Aristide to the White House. The administration also suspended \$91 million financial and military aid to Haiti and froze Haitian assets in the United States. It imposed a trade embargo against Haiti as well (Rose 1998, 60). The administration seemed to believe that it can achieve the return of democratically elected regime in Haiti just by imposing trade sanctions. The American leaders, however, failed to recognize the importance of Haitian social and political divisions, the strength of Haitian elites to resist the moderate international pressures, and the difficulty of assisting a democratic regime that no longer had strong political support from local constituencies (Rose 1998, 61).

While the sanctions did inhibit the coup from international recognition, they did not settle the crisis in Haiti. Inconsistent views of Haitian crisis by the American leaders did not help the situation in Haiti. There are three kinds of democratic transition defined by Samuel Huntington: transformations, replacements, and transplacements.

Transformations occur when the political elites are responsible for democratic transition. Replacement takes place when the opposition groups lead the collapse of the dictatorship. Transplacement is a form of democratic transition in which the authoritarian regime and the opposition negotiate peaceful transfer of power (Rose 1998, 61). The Bush administration appeared to view the crisis in Haiti as both replacement and transplacement so that they responded the crisis with inconsistent and confusing policy (Rose 1998, 62).

Although he criticized President Bush on his Haitian policy, especially on refugees policy, during the presidential campaign, President Clinton pursued a similar Haitian policy. He maintained refugee repatriation efforts that the Bush administration



started. Like the approach of the previous administration, the Clinton administration tried to mediate a negotiated agreement between Haitian political factions. After the failure of the American-mediated negotiations, the Clinton administration imposed targeted sanctions against Haitian political elites and their families in June 1993. The United Nations Security Council also voted Resolution 841, which ordered imposition of an international oil and arms embargo against Haiti if military leaders did not transfer power to Aristide (Rose 1998, 65).

The sanctions against Haiti failed to produce desirable results for the American government and international communities. The American leaders had three possible responses against military coup in Haiti. The first potential response would have been the acceptance of the coup. The second possibility would have been the removal of the military regime decisively, and the third one would have been the punishing of Haiti by imposing sanctions until the return of Aristide (Rose 1998, 71). The first response against would have been an easy one for the Americans. The removal of coup leaders by force would have been a difficult and costly option for the American government. The third approach, imposition of embargo against Haiti, did not produce desirable results for the administration, the OAS and the United Nations (Rose 1998, 72).

The American policy leaders can draw a number of lessons from the imposition of sanctions against Haiti. The first lesson is that ambitious coup leaders can survive with limited resources from intensive and extensive embargoes. Authoritarian regimes can exploit the loopholes in sanctions and obtain enough resources for the survival of their regimes. American policy-makers should not assume that authoritarian regimes from

underdeveloped countries will give up their power easily because of strong pressure from powerful countries like the United States. The second lesson the American government can learn is that a sanction policy with specific goals can lead an imposing country to an uncomfortable situation if the goals are not realized immediately. The third conclusion that can be drawn from sanctions against the Haitian coup leaders is that the embargoes produce outcomes that are not expected. The sanctioning country should anticipate potentially undesirable consequences and prepare to respond those results accordingly (Rose 1998, 74). The fourth conclusion that can be learnt from Haitian embargo is that sanctions should be imposed quickly and comprehensively, rather than gradually and partially (Rose 1998, 74). Authoritarian regimes have a better chance to survive gradual and partial embargoes. Comprehensive and swift sanctions are more effective than are incremental measures, since they can be viewed as a strong and clear message by authoritarian regimes. The last conclusion that can be reached from the Haitian sanctions is that regional embargoes can prevent other countries from recognizing authoritarian regimes and ultimately undermine the legitimacy of new despotic regimes (Rose 1998, 75).

### **American Foreign Policy with Iran**

Since the Islamic Revolution of 1979, the United States has applied economic sanctions against Iran without international support. President Jimmy Carter prohibited Americans from buying Iranian goods and froze Iranian assets in the United States, in response to the seizure of the American Embassy in Tehran during the Islamic revolution in 1979. On April 1980, the Carter administration declared a ban on travel and trade between two

countries. The Carter administration agreed to resume normal trade relations with Iran under the Algiers Accord if the American Embassy were released on January 20, 1981 (Clawson 1998, 85).

In January 1984, Secretary of State George Shultz declared Iran as a sponsor of international terrorism, and later, the Reagan administration further tightened economic sanctions against Iran. Congress, on 6 October 1987, voted to prohibit all Iranian imports after the United States Department of Energy bought Iranian oil for the United States Strategic Petroleum Reserve. President Reagan issued an executive order banning imports and exports with Iran to show the American people that he stood firm against terrorism (Clawson 1998, 85).

Between 1987 and 1992, the Iranian government was not a significant concern to the American government. In November 1991, the Bush administration returned \$285 millions that were frozen since the Islamic Revolution as an attempt to improve relations with Iran. The Iranian government refused to meet with their American counterparts to amend diplomatic relations. In 1992, the Iran-Iraq Arms Non-Proliferation Act further tightened American exports to Iran. The Act also required a mandatory sanction against any third country found assisting Iran with nuclear, chemical, biological and sophisticated conventional weapons (Clawson 1998, 86).

The Clinton administration adopted tougher policy against Iran. The administration announced the policy of dual containment of Iran and Iraq in May 1993. It claimed that the Iranian regime posed a national security threat by developing weapons of mass destruction, sponsoring terrorism, and disrupting the Middle East peace process.

Clinton's strategy toward Iran was to deprive the Iranian government of hard currency by opposing loans and aid from the International Monetary Funds, and it also promoted the export of commercial goods to Iran to deplete its foreign exchange (Clawson 1998, 87).

Republicans, after winning the majority of congressional elections in 1994, took a harder line to demonstrate that they were taking a stronger position than the Democrats against countries sponsoring terrorism. President Clinton, facing congressional Republican pressure, prohibited any American company from investing in the exploration of Iranian petroleum reserves in March 1995. Clinton also restricted almost all commercial transactions with Iran, except transactions related to travel, humanitarian and religious reasons, family matters, and academic exchange (Clawson 1998, 87).

With the assistance of the American Israel Public Affairs Committee (AIPAC), Senator Alfonso D'Amato of New York revised his sanctions bill against Iran in the summer of 1995. Many observers believed that the AIPAC had too much influence on sanctions policy against Iran. While there was criticism of AIPAC's undue influence on the D'Amato's bill, the Republican victory of Congress in 1994 and the influence of the families of the victims of Pan Am Flight 103 played important roles in the passage of Iran and Libya Sanction Act (ILSA) in 1996 (Clawson 1998, 87).

President Clinton promised to sign the bill if it were modified only to apply investment in May 1996. He then put his signature on the Iran and Libya Sanction Act of 1996, which was passed by Congress unanimously on August 5, 1996 (Clawson 1998, 88). The Act declared:

The Congress declares that it is the policy of the United States to deny Iran

the ability to support acts of international terrorism and to fund the development and acquisition of weapon of mass destruction and the means to deliver them by limiting the development of Iran's ability to explore for, extract, refine, or transport by pipeline petroleum resources of Iran.

(Clawson 1998, 88)

By passing the Iran and Libya Sanction Act, several members of Congress and administration officials believed that the tighter sanctions under the new bill would deprive Iran of the prospects of possessing weapons of mass destruction and supporting international terrorism. They claimed that the bill would have a tremendous impact on Iran if the American allies participated in the American commercial and investment ban with Iran. Iranian oil industry would be significantly affected by the new sanctions. Some Iranian officials reportedly warned that Iran would become an oil importer by 2010 if substantial new investments were effectively banned (Katzman 2001, 1).

Some analysts argued that the chances of improved relations between American and Iranian were great in 1997. The replacement of Madeleine Albright as Secretary of State from Warren Christopher, a staunch supporter of strong actions against Iran, was one of the chances to improve relations between the two countries (Clawson 1998, 88). The widespread criticism of American policy toward Iran by former American government officials also pressed the current administration to change policy. The election of Mohammed Khatemi as president of Iran in May 1997, also generated the prospects of improved relations between the United States and Iran (Clawson 1998, 89).

American sanctions on Iran had both economic and political effects. Because of

its own domestic policy and American sanctions policy, Iran has had grave economic problems. Iran owed \$30 billion in debt in 1993 because of its excessive borrowing. Iranian government sought debt rescheduling with international lenders and suffered a recession in 1993-94. In May of 1995, the administration prohibited American companies from petroleum dealings with Iran. The ban had immediate financial effects on Iran. A week after the imposition of the ban against Iran, the value of Iranian currency collapsed (Clawson 1998, 93).

The most significant economic effect of American actions against Iran was the ban of investment in oil and gas industry. Within two years of the ban against Iran, only one oil company agreed to invest in Iranian oil and gas production and exploration. The American sanction, however, did not have any significant political impact on Iran. The American action failed to press Iranian government to change its political behavior. The Iranian regime expected European and Japanese companies to do business with its country after the American companies left Iran due to the sanctions. The Iranian leaders also strongly believed in their radical foreign policy and never intended to abandon it. The American sanctions, however, deprived Iran of hard currency to purchase weapons and military supplies (Clawson 1998, 94).

### **American Foreign Policy With Iraq**

Iraq is one of the most interesting cases regarding economic sanctions from the 1990s to present. Iraq was the first country to experience a multilateral sanction for its regional military adventures since the demise of the Soviet Union in 1989. The sanctions against Iraq were the first attempt by the United States to impose sanctions for reasons other than

the fight against Communism. The United States led the international community to stop Iraqi military adventures in the region. The Bush administration followed the Iraq policy of the Reagan administration in 1989. The goals of the policy were to have limited relations with Iraq while monitoring the activities of Saddam Hussein in the region (Melby 1998, 107).

The Iraqi government started to accuse the American government of plotting a conspiracy against its country in early 1990. In April 1990, Saddam threatened to destroy and burn Israel if the state of Israel took military actions against Iraq. In the spring of 1990, tensions among Iraq, Kuwait, and United Arab Emirates escalated due to financial, territorial and oil-related disputes. Saddam did not want to pay back loans borrowed from his Arab neighbors during the Iran-Iraq war. In May 1990, he accused both Kuwait and the United Arab Emirates of exceeding the Organization of Petroleum Exporting Countries (OPEC) quotas and ultimately pressing down oil prices in the international market. He then threatened to use force if oil production was not reduced by Kuwait and the U.A.E. (Melby 1998, 108).

President Bush, on July 28, sent a message to Saddam, telling him not to use forces in the region and reminding him of the American national security interests in the region (Melby 1998, 108). Although the Bush administration warned Saddam not to use force to resolve the disputes with Kuwait, Saddam decided to invade Kuwait on August 2, 1990. Iraqi military forces easily occupied Kuwait and moved some of its forces to the Saudi Arabian border. The Iraqi occupation in Kuwait and the concentration of Iraqi forces around Saudi Arabian border created turmoil in the region, and ultimately

endangered petroleum resources in the Persian Gulf (Melby 1998, 109).

The United States immediately froze both Iraqi assets in the country and Kuwait assets under American control around the world. The Bush administration also applied a comprehensive sanction against Iraq and Kuwait. The main purpose of the economic embargo against Iraq was to deprive Iraq of oil and financial resources from Kuwait and to press Saddam to end the occupation of Kuwait. The United Nation Security Council voted to condemn the Iraqi invasion on 2 August 1990. The Arab League and the Gulf Cooperation Council also criticized the Iraqi aggression against Kuwait. After Iraq declared the annexation of Kuwait as one of its provinces, the United States Security Council voted Resolution 662, announcing the annexation illegitimate (Melby 1998, 111).

Many countries, including the Soviet Union, which was one of the staunch supporters of Iraq, supported the United Nations embargo against Iraq. More than 120 countries out of 159 U.N. members endorsed the Security Council Resolution and agreed to enforce it. The United Nation sanctions reportedly involve \$1.5 billion per month. Because of Saddam's lack of consideration for his people's economic misery and the ability of the Iraqis to survive dire economic conditions, the multilateral sanctions against Iraq failed to produce desirable results (Melby 1998, 113).

The multilateral military coalition led by the United States military forces ended the Iraqi occupation of Kuwait in February 1991. The sanctions against Iraq before the multilateral military intervention in Kuwait did not force Saddam to withdraw his forces from Kuwait. The economic embargo, however, was a necessary precondition to generate public support in the United States and in other Coalition members for ultimate military



intervention in Kuwait. The sanctions, therefore, provided the necessary political support to mobilize a multilateral military coalition to expel Iraq from Kuwait. The Bush administration would not be able to obtain Congressional approval to use force in the Gulf without application of sanctions in the first place (Melby 1998, 116).

The new sanctions were imposed against Iraq after the expulsion of Iraqi forces from Kuwait by international military coalition forces in April 1991. Unlike pre-Desert Storm sanctions which were applied to force Saddam to withdraw from Kuwait, the post-Desert Storm sanctions were used to press Saddam to comply with Security Council Resolution 686 that required Saddam to end hostilities in the Gulf region. The United Nations demanded Iraq to terminate its chemical and biological ballistic missiles with a range of longer than 150 kilometers and its weapons of mass destruction programs (Melby 1998, 117).

The economic sanctions against Iraq after the April 1991 cease-fire were intended to prevent Saddam from military aggression in the Middle East. The embargo, however, did not change the behavior of Iraqi government. The Iraqi opposition against Saddam did not have the capacity to effectively challenge Saddam's rule. The economic sanctions were able, however, to prohibit Saddam from acquiring weapons of mass destruction (Melby 1998, 119), but there was no evidence that multilateral sanctions against Iraq were able to change Saddam's repressive rule against his own people (Melby 1998, 120).

The sanction against Iraq is significantly different than American sanctions against other countries in many ways. Many countries participated in the imposition of economic sanctions against Iraq. Unlike other unilateral sanctions by the American

government, the United Nations, led by the United States, imposed economic sanctions against Iraq. The sanctions undoubtedly prohibited Saddam from rebuilding his military forces. The sanctions also prevented the Iraqi regime from developing weapons of mass destruction, chemical and biological weapons. One of the lessons that can be learned from Iraqi sanctions is that authoritarian leaders, like Saddam Hussein, are not easy to replace through pressures of sanctions alone. Another lesson is that the sanction, as a foreign policy instrument, cannot be measured by a “success” and “failure” standard (Melby 1998, 123). Economic sanctions against Saddam also proved that multilateral sanctions are more effective than unilateral sanctions (Melby 1998, 122).

#### **American Sanctions and Libya**

Libyan leader, Muammar Qaddafi, after his successful coup in 1969, spent millions of dollars from his country’s oil revenues threatening many countries and attempting to replicate his revolution around the world. The United States tried to contain or change Qaddafi’s aggressive activities around the world by imposing economic sanctions, air strikes and various diplomatic actions. From 1970 to 1991, the United States broke bilateral commercial ties and persuaded many countries to try to change Qaddafi’s hostile activities in the region. Between 1991 and 1996, the United Nations imposed sanctions against Libya for Libyan involvement in the bombings of Pan Am Flight 103 and UTA Flight 772. The third period of sanctions against Libya started after the passage of the Iran-Libya Sanction Act (ILSA) of 1996 (Rose 1998, 129).

The United States has imposed more than 20 sanctions against Libya that prohibited various commercial ties with Libya since 1973. The American government

forbade the transfer of chemicals that can be used to produce weapons and conventional weapons, exports of American oil manufacturing equipment, imports of Libyan petroleum, Libyan assets in the United States, and commercial ties such as investments, contracts and loans to Libya. The United Nations, led by the American government, also applied economic sanctions against Libya to gain custody of two alleged Libyan secret agents for the bombings of Pan Am Flight 103 in 1988 and UTA Flight 772 in 1989 (Mark 2002, 5).

The United States, however, terminated the prohibition on transfers of humanitarian materials such as food and medicines on April 28, 1999. President Reagan implemented a travel ban to American citizens to Libya in 1981. The Libyan government, on October 11, 1973, informed the United States that the Gulf of Sidra was part of Libya and prohibited international ships from entering the bay. On February 11, 1974, the United States disapproved of Libya's territorial claims of the Gulf of Sidra. The Libyan government did not intervene in the attack and burning of American embassy in Tripoli on December 2, 1979 (Mark 2002, 5).

The American authorities ordered the Libyan diplomatic mission in Washington to shut down due to activities not compatible with diplomatic protocol on May 6, 1981. The American Naval fighter aircrafts destroyed two Libyan SU-22 planes over the Gulf of Sidra on August 19, 1981. The Libyan government reportedly sent Libyan intelligence agents to assassinate President Reagan not long after the air fights between American and Libyan fighter planes in August. American officials claimed that Libya carried out the simultaneous terrorist attacks in Rome and Vienna airports in which 20 civilians,

including five Americans, were killed on December 27, 1985. American planes attacked Libya's SA-5 installations after Libya fired its SA-5 surface-to-air missiles against American airplanes on March 24, 1986 (Mark 2002, 6).

On April 5, 1986, a violent explosion killed three people, including two American servicemen, and injured 200 in the LaBelle nightclub in Berlin. President Reagan declared that the Libyan government was behind the bombing (Mark 2002, 6). Ten days later, 100 American warplanes bombarded two military complexes, two air bases and a port in Libya. President Reagan claimed that the American intelligence community intercepted communication between Libya and its embassy in Berlin regarding the nightclub bombing. At the nightclub bombing trial in Berlin, a German judge found one Libyan, one Lebanese, and one German of Lebanese origin guilty of the nightclub bombing, but declared that there was no evidence to believe that Qaddafi personally commanded the crime (Mark 2002, 7).

The United Nations Security Council voted in three resolutions with regard to the Pan AM Flight 103 and UTA 772 bombings. On January 21, 1992, the Security Council passed Resolution 731 that required the Libyan government to extradite the two alleged bombers in Libya. Until Libya would hand over the two suspects to American and British officials for trial, Resolution 748 applied economic sanctions against Libya on March 31, 1992. Security Council Resolution 883 prohibited the sale of oil manufacturing equipment to Libya and froze a limited amount of Libyan assets on November 11, 1993 (Mark 2002, 3).

The United States had in the past requested the cooperation of its European allies

and the international community for its anti-Libyan initiatives without success. One of the significant developments after the bombings of Pan Am Flight 103 and UTA 772 was the actual cooperation of European countries and international community in imposing economic sanctions against Libya. European and other countries participated in application of sanctions against Libya for many reasons. The first reason was the loss of more than 400 lives in the PA Am 103 and UTA 772 bombings. The second reason was the fact that British and French, as well as American, citizens were killed in the bombings (Rose 1998, 138). The third reason was that investigators had gathered enough evidence to link the Libyan government to the Flight 103 and UTA 772 bombings. European countries decided to cooperate with the United Nations sanctions against Libya in order to avoid American military intervention in the region. After the collapse of the Soviet Union, Western countries began to use the United Nations Security Council for purposes other than fighting against the Eastern bloc led by the Soviet Union. For these reasons, many countries, including Iran and the Arab world participated in multilateral sanctions against Libya for its terrorist activities around the world (Rose 1998, 138).

Libyan leader, Muammar Qaddafi, has been a threat to American and Western security interests for more than 15 years. The United States limited the Libyan threats by imposing limited sanctions. Economic sanctions have weakened Libya's military capabilities, including its air force, and impeded the developments of weapons of mass destruction programs (Rose 1998, 145). The United Nations sanctions limited Qaddafi's ability to threaten his neighbors and the world. Economic sanctions, however, did not bring down Qaddafi from power, nor did they significantly change his behavior. The

sanctions against Libya proved that the gradual, incremental and limited sanctions were not effective in changing behaviors of a target country. The American embargo against Libya also indicated that a country is likely to impose costly sanctions only for important issues (Rose 1998, 146).

### **American Foreign Policy With Pakistan**

The United States views Pakistan as one of the strategically important countries in the world. In 1972, Zulfikar Ali Bhutto became the president of Pakistan after the removal of authoritarian leader, General Yahya Khan. Before he took over power as the president of Pakistan, Bhutto noted his desire to develop nuclear weapons in 1969. President Bhutto, in a scientific meeting in Multan in 1972, declared that Pakistan must have nuclear weapons to guarantee security against its rival, India. He predicted that India would soon acquire nuclear capabilities to threaten Pakistani security. India exploded its first underground nuclear device two years later. In October 1974, France agreed to build a plutonium reprocessing plant to produce plutonium for nuclear power plants in Pakistan. American analysts viewed the contract between Pakistan and France to build nuclear fuel plants as an attempt to develop nuclear weapons by Pakistan (Kux 1998, 157).

President Ford, in August 1976, sent Secretary of State Henry Kissinger to persuade Pakistan to end its nuclear program. Kissinger offered Pakistan 100 A-7 bombers if Pakistan were to eliminate its nuclear program. The Pakistani government refused to stop its nuclear program. Secretary of State Kissinger then went to France to persuade the French government not to build nuclear fuel plants in Pakistan. French government ignored the Ford administration's demand to stop building nuclear fuel

plants in Pakistan. Pakistan then successfully recruited a qualified Pakistani metallurgist, Dr. Abdul Qadeer Khan, who had been working for a Dutch firm, to produce uranium to develop nuclear weapons (Kux 1998, 158).

The United States, under the Carter administration, stepped up its attempts to stop the building of French nuclear fuel plant in Pakistan. Congress passed amendments by Senators John Glenn (D-Ohio) and Stuart Symington of Missouri to ban aid to nations that were both supplying and receiving uranium in 1976 and 1977. Economic embargoes then became a part of American strategy to end the development of nuclear weapons. On July 5, 1977, the Pakistani military, led by General Zia-ul-Haq, toppled the democratically elected Bhutto government. After State Department nuclear expert Joseph Nye failed to persuade Zia to end nuclear fuel reprocessing plants, the Carter administration applied economic sanctions against Pakistan in September 1977. The French government decided to stop their contract with Pakistan indefinitely (Kux 1998, 159).

Pakistan became an American front-line state to fight against Soviet Union when the Soviet Union invaded Afghanistan on December 29, 1979. American policy toward Pakistan significantly changed after the Soviet invasion in Afghanistan. Pakistan's nuclear program became a secondary priority to American officials after the Soviet invasion in Afghanistan. In order to gain Pakistan's cooperation against the Soviet occupation of Afghanistan, the Reagan administration, in April 1981, offered Pakistan military and economic aid worth \$3.2 billion. The administration also asked for a six-year waiver of the Symington-Glenn sanctions amendments from Congress (Kux 1998, 161).

Under Secretary of State James Buckley remarked, “In place of the ineffective sanctions on Pakistan’s nuclear program imposed by the past administration, we hope to address through conventional means the sources of insecurity that prompt a nation like Pakistan to seek a nuclear capability in the first place.” Reagan administration often demanded Pakistani government to stop its nuclear program, and Pakistani government always assured the administration that it was not developing nuclear bombs. In May 1983, Zia assured Secretary of State George Shultz that his country had “neither the capability nor the intention of acquiring or developing a nuclear explosive device of any kind” (Kux 1998, 161).

The Reagan administration, in 1985, requested Congress to extend a long-term waiver of the Symington-Glenn sanctions amendments. Congress rejected the extension of Symington-Glenn waiver, and instead passed an amendment that permitted assistance to Pakistan if the president certified annually that Pakistan did not possess nuclear weapons. The amendment was sponsored by Senator Larry Pressler of South Dakota, and was called the Pressler Amendment (Kux 1998, 162). On December 22, 1987, Congress voted to provide Pakistan with military and economic aid, and it passed the extension of Symington-Glenn sanctions waiver for two and half years instead of six years (Kux 1998, 164).

President Zia-ul-Huq suddenly perished in a plane crash in August 1988. Banazir Bhutto, the daughter of Zulfikar Ali Bhutto, won the elections and became the prime minister of Pakistan. After the elections in 1988, Pakistan was collectively ruled by Prime Minister Bhutto, President Ghulam Ishaq Khan, and Army chief of Staff General Mirza



Aslam Beg. Prime Minister Bhutto, in her address to Congress in June 1989, said, "I can declare that we do not possess, or do we intend to make, a nuclear device. That is our policy." President Khan, in August 1990, sacked Benazir Bhutto and called for new elections in October. President Bush at the same time declared that he could not certify that Pakistan did not own nuclear weapons, as required by the Pressler amendment (Kux 1998, 165).

Without presidential certification, on 1 October 1990 the United States imposed economic sanctions against Pakistan and ended its military and economic assistance (Kux 1998, 165). The Pakistani press responded to the Pressler amendment angrily. One Pakistani commentator wrote, "Now that the Afghan war is over, the United States no longer needs Pakistan. You Americans have discarded us like a piece of used Kleenex." Pakistan believed that the United States was punishing Pakistan even though, unlike India, which detonated an underground nuclear device, Pakistan did not test nuclear devices. The newly elected Pakistani government, Nawaz Sharif government, offered to the American government that he would cease enriched uranium production. The Pakistani government, however, refused to destroy the existing uranium and weapon cores (Kux 1998, 166).

The newly elected Clinton administration submitted a report on the U.S. non-proliferation strategy in South Asia. The Clinton administration, instead of demanding the immediate elimination of nuclear arms, aimed "to cap, then reduce over time, and eventually to eliminate" nuclear arsenals in South Asia. The administration tried to stop further nuclear weapons development rather than abolish the whole Pakistani nuclear

program (Kux 1998, 166). In early 1994, the Clinton administration proposed that Pakistan stop nuclear development programs and allow American inspectors to look at its nuclear plants. As an incentive for Pakistani cooperation, the administration promised to release F-16 fighters, which Pakistan bought and had not received from the United States (Kux 1998, 167).

Prime Minister Benazir Bhutto rejected the American offer to cap nuclear weapons, and noted, "if we are unilaterally pressed for the capping, it will be discriminatory, and Pakistan will not agree." In 1995, Senator Hank Brown of Colorado proposed an amendment to relieve the economic sanctions, to release Pakistani military equipment worth \$368 million under American control, and to provide Pakistan with financial assistance and military training. Pakistan, under the Brown Amendment, would not receive the F-16 fighters from the United States (Kux 1998, 167). Congress later passed the Symington Amendment to resume investment guarantees with Pakistan (Kux 1998, 168).

The application of sanctions against Pakistan in 1990 had significant impact on American-Pakistani relations. General Powell and Brent Scowcroft noted that the sanctions deprived Pakistan of American financial assistance and damaged the security partnership between the United States and Pakistan. In the 1990s, Pakistani leaders such as Bhutto and Nawaz Sharif sought to have better relations with America, even though the Pakistani public disfavored American policy toward Pakistan (Kux 1998, 168). The sanctions also had a significant affect on Indian-American relations. The sanctions eliminated Indian concern about American military assistance to its rival, Pakistan. The

sanctions against Pakistan, however, failed to eliminate the development of Pakistani nuclear weapons program (Kux 1998, 169).

Sanctions against Pakistan appeared to send the signal that the United States was ready to sacrifice relations with a partner for nuclear non-proliferation. The sanctions also prevented Pakistan from detonating nuclear devices (Kux 1998, 169). The sanctions against Pakistan also confirmed that Congressional sanctions had risen since 1970s and that Presidential sanctions were falling. Congressional sanctions affected the ability of presidents to conduct foreign policy significantly. The Pressler sanction demonstrated the argument that Congressional sanctions can be both rigid and highly inefficient national security policies. Congressional sanctions as national security instruments can create jurisdictional disputes between the Legislative branch and the Executive branch. The Pressler sanctions proved that the United States cannot change the national security policy of another country whose existence was not completely dependent on American support (Kux 1998, 172).

#### **American Policy toward the Former Yugoslavia**

From 1991 to 1998, economic embargoes and military actions had been major aspects of United States foreign policy towards the former Yugoslavia. Congress, prior to the 1991 war, threatened to impose sanctions against Yugoslavia for Serbian repression of Albanians in Kosovo. The United States, along with European countries and the United Nations, imposed economic sanctions and an arms embargo against Yugoslavia to prevent catastrophic conflict in the Balkans after the secession of Slovenia and Croatia from Yugoslavia in 1991. After the war broke out in the Balkans in 1992, the United

States called Serbia the aggressor in the conflict, and imposed sanctions against Serbia to remove Serbian President Slobodan Milosevic from power. Negotiators in the Balkan war offered to Serbia that they would lift sanctions if Serbian authorities halted the war. The international community expanded existing sanctions against Serbia in 1994 after Serbian leaders refused to end their aggressive activities in the region (Stedman 1998, 177).

Many experts had different opinions on whether economic embargoes and military pressures against Yugoslavia had any impact on Serbian military activities in the region. Some observers argued that the sanctions and military actions against Yugoslavia led Milosevic to the negotiating table to terminate the war in the region. Some people, however, claimed that the sanctions and military actions against Serbia produced unintended consequences (Stedman 1998, 177). In 1990, Congress passed the Nickles Amendment to end assistance to the Federal Republic of Yugoslavia if the Serbian government did not halt its suppression against ethnic Albanians in Kosovo within six months. The Nickles sanction was waived when Secretary of State James Baker certified that Yugoslavia was abiding by its commitments under the Helsinki Accords on 24 May 1991 (Stedman 1998, 181).

Some experts believed that the Nickles Amendment had a negative impact in the Balkan conflict in some ways. Warren Zimmerman, American Ambassador to the Yugoslavia, noted the following:

It was aimed at the wrong target. To get at Serbia, it attacked Serbia. Even worse, the only hurt was Markovic (Prime Minister for Yugoslavia), the last hope for a peaceful and democratic solution. Milosevic got off scot-

free; in fact, he gained, because he could circle his wagons around a brave little Serbia being bullied by the United States. (Stedman 1998, 181)

American policy toward Yugoslavia was not consistent with international policy towards Yugoslavia. While the international community, especially European countries, was trying to attract all parties involved in the Balkan conflict to work out a peaceful solution with economic incentives, the United States imposed economic sanctions and threatened to penalize Yugoslavian government (Stedman 1998, 182).

After violence among Serbs, Croats, the Yugoslavian Army, and militias in the region mounted, the United States, along with European Union, decided to freeze the transfers of military weapons and equipments to Yugoslavia on July 11, 1991. The Bush administration also backed United Nations Security Council Resolution 713, which authorized an arms embargo against Yugoslavia on September 25, 1991. The United Nations arms embargo was later extended to all countries, including Slovenia, Croatia and Bosnia-Herzegovina, involved in the conflict. United States Senators Claiborne Pell of Rhode Island, Robert Dole of Kansas, Larry Pressler of Colorado and Alfonse D'Amato of New York proposed legislation in Congress to "impose an embargo on the import of products from Serbia until Serbia has ceased its armed conflict with the other republics of Yugoslavia" in October 1991 (Stedman 1998, 182).

The Bush administration was against the legislation and argued that the unilateral embargo against Yugoslavia would be ineffective, since American trade relations with Yugoslavia were limited. The legislation, primarily due to the opposition of the Bush administration, died in committee. President Bush, nevertheless, issued an executive

order suspending trade relations with Yugoslavia on December 6, 1991 (Stedman 1998, 182). When another war broke out in Bosnia in May 1992, the United States imposed new measures against Yugoslavia. The Bush administration barred aviation rights for Yugoslavian national carriers and froze all Serbian assets under American control. The United Nations Security Council, led by the United States, passed Resolution 757, which applied extensive sanctions on Serbia and Montenegro on 30 May 1992. In April 1993, the United Nations Security Council again adopted Resolution 820 to tighten the May 1992 sanctions (Stedman 1998, 183). The United Nations, by Resolution 942, expanded economic sanctions to Bosnia-Herzegovina on 25 October 1994 (Stedman 1998, 184).

The United States viewed Slobodan Milosevic as the principal culprit of the Balkan conflict. American authorities believed that the sanctions against Yugoslavia would damage the Serbian economy, and ultimately, the Yugoslavian public under economic distress would turn against Milosevic. European leaders, on the other hand, imposed sanctions against Yugoslavia to push Milosevic to a negotiated settlement in the region. The sanctions against Yugoslavia seemed to have tremendous impact on the Serbian economy. A Rand report described the impact of sanctions to the Serbian economy:

By all accounts, the progressive tightening of the economic blockade has shattered the Serb economy. Gross national product and industrial production are a fraction of pre-crisis levels. Unemployment and inflation (perhaps 20,000 percent per month) have reached catastrophic rates. Shortages of basic commodities, including fuel and foodstuffs, are now

widespread. The civilian transport system has been crippled, with serious consequences for the distribution of critical commodities, including foodstuffs in which Serbia is normally self-sufficient. By technical measures, the economic sanctions are probably working as well as anyone could expect. (Stedman 1998, 187)

Sanctions against Yugoslavia undoubtedly failed to achieve a peaceful solution in the Balkans; however, they raised the costs of fighting for Serbian President Slobodan Milosevic and the Bosnian Serbs. The sanctions pressured Milosevic to distance himself from his Bosnian Serb allies and to push Bosnian Serbs toward the Dayton negotiations. After the sanctions were imposed and damaged was done to the Serbian economy, moderators used the removal of sanctions as an incentive for a negotiated settlement. Without imposition of sanctions in the region, negotiators would not have the leverage for peaceful negotiations (Stedman 1998, 193).

### **The Domestic Costs of Sanctions**

American sanctions against other countries can have an impact on the American economy in one way or another, but the impact of these sanctions on American economy may not be very significant if the target country is not a major trading partner. There is an argument that changes of exports and imports with other countries often offset changes of exports and imports due to sanctions against a target country. New jobs due to the import ban can offset the loss of jobs due to the export ban to a target country. Some experts argue that a sanction in general does not significantly affect American economy as a whole. Sanctions generally do not affect American economy for four reasons:

1. The countries most likely to be sanctioned are developing nations and non-market economies, which are not major U.S. trading partners. (About two-thirds of U.S. trade is with large industrialized countries that are political allies and that have open economies and democratic institutions.)
2. U.S. sanctions often include restrictions on foreign aid or export assistance for specific countries. Those restrictions may not affect total assistance spending or, if they do can generate savings for American taxpayers and reduce domestic prices.
3. Substitutes for many sanctioned imports are readily available at little additional cost and with little loss of consumers' satisfaction. Similarly, alternative markets for many sanctioned exports are available with little loss of producers' earnings.
4. Other investments opportunities are widely available to substitute for many sanctioned investments with little loss of return.

(U.S.C.B.O. Report 1999, xi).

Many experts contend that the domestic costs of sanctions fluctuate based upon the kind of state being imposed, involvement of other nations in sanctioning, and the type of sanctions being imposed. A research in 1997 by Gary Hufbauer and his colleagues at the Institute of International Economics found that the American economy loses \$1 billion annually in national income because of sanctions policy. The United States also endures the loss of \$18 billion worth of exports of goods annually due to sanctions against other countries. The losses of both national income and exports by the United States due to



sanctions policy, however, are not significant if we compare them to total national income and total exports. The United States earned more than \$6.6 trillion as national income and exported almost \$700 billion worth of goods in 1997, while it lost \$1 billion in national income and \$18 billion exports because of sanctions against other countries (U.S.C.B.O. report 1999, xii).

The domestic cost of unilateral American sanctions tends to be lower than the cost of multilateral sanctions. The costs of sanctions also seem to go up over time and to depend upon the type of economy being targeted. There is a range of domestic costs of sanctions:

1. Small for small developing countries, which account for little U.S. trade now;
  2. Medium for big emerging economies, such as China, which are likely to account for an important share of U.S. trade in the future;
  3. Large for industrialized economies, which are highly integrated with the U.S. economy and already account for a significant share of U.S. trade
- (U.S.C.B.O. report 1999, xii).

The American economy will suffer least if it imposes sanctions against a developing country. Total U.S. exports to developing countries from Latin America, Africa, Asia and Eastern Europe is only 15 percent. The American government currently applies sanctions against developing countries that individually have very limited trade relations with the United States. The United States tend to impose sanctions against a country that usually provides it with merchandise that can be easily replaced from other countries. A study by

Hufbauer in 1997 suggests that the United States, by imposing sanctions, lost 5 cents of its national income for each \$1 in exports (U.S.C.B.O. report 1999, xii).

The American economy suffers most when sanctions are imposed against a highly industrialized country. Highly industrialized countries, such as European countries, Canada, Japan, and Australia, usually import 60 percent of American total exports (U.S.C.B.O. report 1999, xii). The American national income could suffer in the short term by 15 to 35 cents for each \$1 decline in exports if the United States applied sanctions against an industrialized country. According to the Hufbauer study, the costs of multilateral sanctions against industrialized countries in the long run could affect national income by 10 cents to 20 cents for each dollar decline in exports. The national income loss due to sanctions against emerging economies, such as China, is estimated to be from 5 cents to 35 cents for each dollar decrease in American exports (U.S.C.B.O. report 1999, xiii).

The economic costs of sanctions against large industrialized countries could be significant for American economy even though the United States rarely imposes sanctions against large industrialized countries, which are mostly democratic and share similar foreign and security policies with the United States. A combination of trade and international investment in the United States contributes significantly to American economic activity. Earnings from international investment and manufacturing of American products for exports currently account for 18 percent of total American national income. The United States exported 56 percent of total goods to Western European countries, Canada, Japan and Australia in 1997. Mexico, and other emerging

industrialized countries, such as South Korea, Taiwan, Hong Kong, imported 25 percent of American products (U.S.C.B.O. report 1999, 29).

There are three reasons why sanctions against large industrialized countries can have significant impact on American economy. The first reason is the scale and scope of the trade between the United States and those industrialized countries. Since the United States and industrialized countries exchange different kinds of goods and services in high volume, the disruption due to sanctions can have significant impact on the economies. Secondly, the American economy and the economies of industrialized countries are dependent on each other. Many companies in those countries exchange goods and services that are unique in other countries. The third reason is that the disruption can affect business decisions and ultimately damage the efficiency of those economies (U.S.C.B.O. report 1999, 29).

The United States very often imposes sanctions against developing countries, which are usually ruled by authoritarian regimes. Most of those developing countries export a small share of goods and services to the United States. They also supply the United States with inexpensive goods such as petroleum, minerals, agricultural produce, and manufactured merchandise. Countries with small economies or non-market economies individually account for a small share of American trade and foreign investment. There three reasons why the domestic costs of sanctions against developing countries are low. The developing countries usually supply the United States with limited amount of inexpensive goods. The United States can easily replace banned goods from target countries with goods from other countries. Since the United States usually provides

financial assistance or subsidies to those developing countries for the production those goods, the end of American assistance to those countries tend to offset the costs of disruption of commerce between the United States and those countries (U.S.C.B.O. report 1999, 32).

#### **Chapter 4: Sanctions and Social Indicators**

This chapter explores several research questions using various data sets. The chapter attempts to verify with empirical evidence the assumption that authoritarian regimes are more likely to be targeted by sanctions. Most of the countries that are targeted by American sanctions in 1995 are ruled by authoritarian regimes. Countries with a low level of development and modernization measurements, such as infant mortality rates, literacy rates, GDP, and birth to death ratios, tend to have authoritarian regimes. Various sources, such as the Corruption Perception Index from Transparency International, the World Military Expenditure and Arms Transfers from United States Arms Control Agency, Political and Civil rights ratings from Freedom House and infant mortality rates, literacy rates, birth-death ratios and the GDP of more than 110 countries from the World95 database of Statistical Package for Social Sciences (SPSS), were used to test those research questions and hypotheses in this chapter. In order to verify my hypotheses, I ran correlations and regression with SPSS. Countries targeted by American sanctions in 1995 were assigned a “1,” and the countries that were not targeted by sanctions were assigned a “0” in the World95 database to run correlation and regression with SPSS. Research questions and hypotheses are tested as follows:

##### *Category A*

The United States imposed sanctions against 29 countries in 1995 (Dianne E. Rennack and Robert Shuey 1998, 5). Sanctions are restrictions applied by the American government against many countries for different reasons. Almost all of the countries targeted by American sanctions are authoritarian regimes. Military manpower is the

amount of soldiers in the armed forces. The military spending represents the amount of money a government spends for its military. The data from the world Military Expenditure and Arms Transfers of 1996 issued by the United States Arms Control Agency are used in this category A:

1. Is there a statistically significant relationship between sanctions and the military spending?

H1- Sanctions and the military spending are statistically associated.

2. Is there a statistically significant association between the imposition of sanctions and the military spending as a proportion of the GDP?

H2- The imposition of sanctions and the military spending as a proportion of the GDP are statistically associated.

3. Is there a statistically significant association between the imposition of sanctions and the military manpower?

H3- The imposition of sanctions and military manpower are statistically associated.

### *Category B*

This section attempts to establish a statistically significant relationship between the imposition of sanctions and the political rights/civil rights/freedom status. One can argue that sanctions are effective if there is a significant and positive relationship between the imposition sanctions and political/civil rights. The political and civil rights ratings from the Freedom House compute a correlation between the imposition of sanctions and political and civil rights ([www.freedomhouse.org](http://www.freedomhouse.org)).

4. Is there a statistically significant association between the imposition of Sanctions and the political rights ratings?

H4- The imposition of sanctions and the political rights rating are statistically associated.

5. Is there a statistically significant association between the imposition of sanctions and the civil right ratings?

H5- The imposition of sanctions and the civil right ratings are statistically associated.

### *Category C*

Opponents of sanctions argue that economic sanctions have negative effects on the well-being of ordinary people. This category explores whether there are statistically significant relationships between the imposition of sanctions and the infant mortality rates/literacy rates/GDP/birth-death ratios. The literacy rate (percent of people who read) signifies the level of education of a population. The infant mortality rates and birth-death ratios are operationally defined reflections of the health conditions. The GDP is an indicator of development and wealth of a country. The source to compute correlation in this section is the World95 of SPSS.

6. Is there a statistically significant relationship between the imposition of sanctions and the infant mortality rates?

H6- The imposition of sanctions and the infant mortality rates are statistically associated.

7. Is there a statistically significant association between the imposition of

sanctions and the GDP?

H7- The imposition of sanctions and the GDP are statistically associated.

8. Is there a significant relationship between the imposition of sanctions and literacy rates?

H8- There is a statistically significant relationship between the imposition of sanctions and literacy rates.

9. Is there a significant relationship between the imposition of sanctions and birth-death ratios?

H9- There is a significant relationship between sanctions and birth-death ratios.

#### *Category D*

This section attempts to establish whether there are statistically significant relationships between perceived corruption and social indicators, such as the infant mortality rates, literacy rates, birth to death ratios and the GDP. There is an argument that perceived corruption has a stronger statistically significant relationship to the infant mortality rate than the imposition of a sanction does. It is highly unlikely that perceived corruption, or for that matter, the imposition of sanctions alone cause higher infant mortality rates. There are other factors, such as the form of government, culture and among other intervening variables seem to be affecting the infant mortality rates. The corruption perception index of Transparency International is used to compute correlation in this section ([www.transparency.org](http://www.transparency.org)).



10. Is there a statistical association between perceived corruption and infant mortality rates?

H10- Perceived corruption and the infant mortality rates are statistically associated.

11. Is there a statistically significant relationship between perceived corruption and the GDP of a country?

H11- Perceived corruption and the GDP of a country are statistically associated.

12. Is there a statistically significant relationship between perceived corruption and literacy rates?

H12- Perceived corruption and literacy rates are statistically associated.

13. Is there a statistically significant relationship between perceived corruption and birth to death ratios?

H13- Perceived corruption and birth to death ratios are statistically associated.

### *Category E*

This section explores determinants of the infant mortality rates and literacy rates. Each of the variables is regressed against sanctions, corruption perception index, political right and military spending per GDP.

### **Category A**

The United States imposes sanctions on many countries for many reasons. Economic sanctions are often used by the American government to counter the proliferation of nuclear, biological and chemical weapons, to force authoritarian regimes to stop sponsorship of terrorism, to pressure some regimes to respect human rights of their citizens, to end drug smuggling, to contain aggressive regimes from invading neighboring countries, and sometimes to change regimes that are hostile to American policy and interests (Haass 1998, 1). The American government imposes sanctions mostly against developing countries, which tend to violate human rights, develop weapons of mass destructions, support international terrorism, are involved in drug trafficking, and take aggressive actions against their neighbors, rather than developed countries that are mostly American allies.

Most of those developing countries that are targets of American sanctions are usually governed by military-supported regimes. Without the support of their armed forces, many regimes in the developing countries cannot retain their power. In 1995, there were 22.8 millions soldiers in the world. Developing countries had 15.1 millions soldiers (United States Arms Control Agency report 1996, 6). Military manpower of developing countries accounts for two-thirds of total military manpower in the world in 1995. The forces of the developing countries were only 57% of the total forces in the world in 1985. In 1995, thirteen developing countries were ranked in the top largest twenty largest military (in terms of manpower) of the world. China, India, and North Korea possess more than one million soldiers each. Turkey, Pakistan, and Vietnam had between 550,000 and 880,000 soldiers combined, and they were ranked sixth, eighth,

and ninth, respectively (United States Arms Control Agency report 1996, 7).

Ukraine, Iran, Egypt, Iraq, Burma, Syria, and Thailand were among the twenty largest armed forces in 1995. The United States for one reason or another imposed sanctions against most of the developing countries that were among the twenty largest armed forces in the world (United States Arms Control Agency report 1996, 7). Since the regimes in those developing countries maintain power through their militaries, one can assume that economic sanctions against those countries are effective if there are significant negative relationships between sanctions and military spending and manpower. In his "Arms Transfers, Military Coups, and Military Rule in Developing States," Talukder Maniruzzaman found a significant relationship between Arms Transfers (military spending) and military coups and the length of military rule in developing countries. He suggested that military spending is one of the major factors in the development of military coups in developing countries (Maniruzzaman 1992, 733).

The militaries in the many developing countries not only have significant influence on consolidation of authoritarian power, but also play significant role in the process of democratic transitions from authoritarian systems. Regarding regime changes in authoritarian states, S.P. Huntington in 1991 wrote:

Students are the universal opposition; they oppose whatever regime exists in their society. By themselves, however, students do not bring down regimes. Lacking substantial support from other groups in the population, they were gunned down by the military and the police in Greece in November 1973, Burma in September 1988, and China in June 1989. The

military are the ultimate support of regimes. If they withdraw their support, if they carry out a coup against the regime, or if they refuse to use force against those who threaten to overthrow the regime, the regime falls.

(Huntington 1991, 15)

Since the rise and fall of authoritarian regimes in developing countries depend upon the support of their military, many regimes in developing countries, in order to satisfy their military, seem to have tendencies to spend more money on military spending than on social expenditures for ordinary people. In his empirical study, Francis O. Adeola argued that the military expenditure in developing countries appears to have an impact on public education, and health, economic, and political development:

Military expenditure and health variables lie in opposite directions, suggesting a negative influence of military factors on basic health in TWCs [Third World Countries]. Thus, the opportunity cost of higher military spending includes lower budgetary allocations to health and other social services, and the consequent poor social well-being of the people in LDCs [Least Developing Countries]. (Adeola 1996, 447 and 448)

### *Empirical Evidence*

1. Is there a significant relationship between the imposition of sanctions and military spending of a target country and how?

H1- Sanctions and military spending of the target country are statistically associated. A Pearson correlation was calculated examining the relationship between sanctions and military spending. A weak correlation that was not

significant was found ( $r = .055$ ,  $p = .587$ ). There is no statistically significant relationship between the imposition of sanctions and military spending. The imposition of a sanction is not one of the factors that are affecting military spending (see Table 1 for Category A).

2. Is there a statistically significant relationship between sanctions and military spending as a proportion of the GDP of target country?

H2- Sanctions and military spending per GDP of the target country are statistically associated. A Pearson correlation was calculated examining the relationship between sanctions and military spending per GDP in 1995. A weak correlation that was not significant was found ( $r = .141$ ,  $p = .164$ ). There is no statistically significant relationship between the imposition of sanctions and military spending as a proportion of the GDP. The imposition of sanctions does not affect military spending per GDP because there is no statistically significant association between the imposition of sanctions and military spending per GDP (see Table 1 for Category A).

3. Is there a statistically significant association between the imposition of sanctions and the military manpower of the target country?

H3- The imposition of sanctions and military manpower of the target country are statistically associated. A Pearson coefficient was calculated for the relationship between sanctions and military manpower in 1995 (see Table 1 for Category A). A moderate positive relationship between sanctions and military manpower was found ( $r = .253$ ,  $p = .010$ ). There is a significant positive relationship between the

imposition of sanctions and military manpower. A sanctioned country tends to have more soldiers than the countries that were not targeted with sanctions.

### **Category B**

This section explores relationships between sanctions and political rights/civil rights/freedom status of a country. I used the ratings by Freedom House, which observe and rate the political and civil rights and the freedom status of countries around the world. Freedom House annually evaluates political and civil rights of countries around the world in its Freedom in the World Survey since 1970s. The survey seeks to evaluate almost all countries in the world by a simple standard. It attempts to assess political rights and civil rights of individuals in a country. The Survey does not evaluate the objectives of governments and legislative actions. It rates the effects of the governmental actions toward people ([www.freedomhouse.org/research/freeworld/2000/methodology.htm](http://www.freedomhouse.org/research/freeworld/2000/methodology.htm), 1).

The Survey gives a seven-point scale regarding political and civil rights. A country that is assigned a “1” rating is the freest country, and the country which receives a “7” rating is the least free country. The survey team at Freedom House designates numbers to countries based upon political and civil rights checklists. The research team assigns each country 0 to 4 raw points per checklist question. The highest political rights raw points a country can receive are 32 points from eight questions off the political rights checklist. The highest civil rights raw points are 56 points out of 14 civil rights checklist questions ([www.freedomhouse.org/research/freeworld/2000/methodology4.htm](http://www.freedomhouse.org/research/freeworld/2000/methodology4.htm), 1).

Countries that are assigned a political rights rating of a “1” hold free and fair elections and have elected governments. Those countries also have the strong presence of

competitive political parties, and the opposition has influence on political process. States that are assigned a political rights rating of “2” have some kinds of political corruption, violence, discrimination against minorities, and the strong foreign and military influence on the elected government. Countries can receive political rights ratings 3, 4, and 5 based upon the level of military involvement of the government, rigged elections, fighting among various groups, and the unassailable dominance of one party in the political process. Most of the countries, which are rated 6 and 7 on political rights, have authoritarian regimes

([www.freedomhouse.org/research/freeworld/2000/methodology5.htm](http://www.freedomhouse.org/research/freeworld/2000/methodology5.htm)).

Countries assigned a “1” civil liberties rating enjoy freedom of speech, freedom of assembly, freedom of religion, and freedom of association. People in these countries enjoy the highest standard of civil liberties. People from a country with a rating of 2 enjoy civil liberties, but their political systems have some form of limitations on civil liberties. People from states rated 3, 4, and 5 on civil liberties experience censorship from their government, political violence, and restrictions on free association. Political violence in these countries is often committed by opposition groups. A country can receive poor civil liberties rating because political violence of both the opposition and the government, which can have significant affects on civil liberties of ordinary people. States with a civil liberties rating of 6 have very limited civil liberties. People in those countries experience very restricted freedoms of speech, association, religion, and other civil liberties. Political violence is prevalent in these countries. Countries with a civil liberties rating of 7 have no civil liberties

[www.freedomhouse.org/research/freeworld/2000/methodology5.htm](http://www.freedomhouse.org/research/freeworld/2000/methodology5.htm).

### *Empirical Evidence*

4. Is there a statistically significant association between the imposition of sanctions and political rights of the sanctioned country?

H4- Sanctions and political rights of the target country are statistically associated.

A Pearson correlation coefficient was calculated for the relationship between sanctions and political rights in 1995. A moderate positive relationship between sanctions and political rights was found ( $r = .443$ ,  $p = .000$ ). People under sanctions tend to suffer more limited political rights. There is a strong possibility that the imposition of sanctions itself does not necessarily cause limited political rights of people. Countries with limited political rights tend to have authoritarian regimes and are more likely to be targeted by economic sanctions. There are other factors, such as form of government, political culture, and literacy rates that might be affecting the political rights of citizens. It is also possible that the imposition of sanctions creates a tighter political environment in which citizens suffer their political rights.

5. Is there a statistically significant relationship between the imposition of sanctions and civil rights?

H5- Sanctions and civil right ratings are statistically associated. A Pearson correlation was calculated examining the relationship between sanctions and civil rights of a country in 1995. A moderately significant and positive relationship between sanctions and civil rights was found ( $r = .492$ ,  $p = .000$ ). Sanctions are in



many instances targeted toward countries that already have limited civil liberties. Countries under sanctions tend to have few civil liberties. Countries with few civil liberties tend to have authoritarian regimes. There might be other intervening factors, such as culture, form of government, and literacy rate, which are also affecting civil liberties of people.

### **Category C**

Many opponents of economic sanctions have argued that the economic sanctions are not only ineffective, but they also have negative impacts on ordinary citizens of the target country. Economic sanctions have tragic effects on ordinary people, especially children and women. Vesna Nikolic-Ristanovic wrote:

According to the United Nations Children's Fund, the availability of medicines in Yugoslavia declined by more than 50%. Child mortality rates increased under sanctions in Haiti, Yugoslavia and Iraq. In Iraq, under-five mortality rates had tripled by late 1991, due to combined influence of sanctions and war. (Nikolic-Ristanovic 2001, 578 & 579)

Western governments, he argues, are waging "a hidden war against children in the countries under sanctions." Former UN Co-Coordinator of humanitarian relief to Iraq, Dennis Halladay, commented, "I had been instructed to implement a policy that satisfies the definition of genocide: a deliberate policy that has effectively killed well over a million individuals, children and adults." In 1995, John Pilger of the United Nations Food and Agriculture Organization estimated that more than 560, 000 children perished under sanctions and war in Iraq (Nikolic-Ristanovic 2001, 578 & 579).

Tim Niblock asserts that economic sanctions also have negative affects on the development of civil society in target countries. Economic sanctions tend to create deep social divisions among regional, ethnic, and religious groups in countries. Sometimes sanctions are beneficial to one segment of the population, especially to political and economic elites, at the expense of the rest of the population. Sanctions, therefore, tend to promote tensions along economic, ethnic, and religious divisions, and to inhibit the development of democratic values and attitudes between various groups. People under sanctions do not have the time or the desire to participate in the development of democratic processes if they are struggling for their immediate everyday needs of food and medicines (Niblock 2001, 219).

One of the conventional sanctions theories, transmission mechanisms, assumes that civilian populations under hard economic conditions due to sanctions would pressure the targeted government to change its behavior. Under this theory, sanctioning countries intentionally harm the civilian population of the target country to pressure their government for policy changes. The targeted government can also use the impact of sanctions on civilian population for its advantage. The Iraqi government argues:

The people of Iraq are today facing veritable destruction by a weapon that is just as dangerous as weapons of mass destruction; this has so far led to the death of 1 million persons, half of whom are children. This destruction, which is a form of genocide inflicted on the Iraqi people, is a crime punishable under international law regardless of whether it is committed in time of war or peace. [The embargo] constitutes a flagrant violation of

human rights in Iraq and is totally incompatible with the provisions of article 1 of the International Covenants of Human Rights...[which states that] in no case may a people be deprived of its own means of subsistence. (Tostensen 2002, 374 & 375)

The purpose of this Category C is to determine whether sanctions truly do significantly affect social conditions, such as infant mortality rates, literacy rates, GDP, and birth-death ratios of targeted countries, as is argued by observers and the targeted governments.

*Empirical evidence*

6. Is there a statistically significant relationship between the imposition of sanctions and the infant mortality rates?

H6- The imposition of sanctions and the infant mortality rates are statistically associated. A Pearson Correlation coefficient was calculated for the relationship between sanctions and infant mortality rates in 1995. A weak positive relationship, which is significant at the 0.05 level (2-tailed), was found ( $r = .221$ ,  $p = 0.021$ ). The imposition of Sanctions and the infant mortality rates are statistically associated. Countries under sanctions tend to have higher infant mortality rates.

7. Is there a statistically significant relationship between the imposition of sanctions and the GDP?

H7- The imposition of sanctions and the GDP are statistically associated. A Pearson correlation coefficient was estimated for the relationship between sanctions and GDP of a country in 1995 (see Table 3). A weak relationship that is significant at the 0.01 level (2-tailed) was discovered ( $r = -.329$ ,  $p = .000$ ). The

imposition of sanctions and the gross domestic product of a country are statistically associated. States under sanctions tend to have lower gross domestic product.

8. Is there a statistically significant relationship between the imposition of sanctions and literacy rates?

H8- There is a statistically significant relationship between the imposition of sanctions and literacy rates. A Pearson correlation was determined for the relationship between sanctions and literacy rates of a country in 1995 (see Table 3). A weak relationship which was significant at 0.05 level (2-tailed) was established ( $r = -.201$ ,  $p = .037$ ). There is a statistically significant relationship between the imposition of sanctions and literacy rates of a country. Countries under sanctions tend to have lower literacy rates.

9. Is there a significant relationship between sanctions and birth-death ratios?

H9- There is a significant relationship between sanctions and birth-death ratios. A Pearson Correlation was established for the relationship between sanctions and birth-death ratios of a country in 1995 (see Table 3 for Category C). A very weak relationship which is not significant was found between sanctions and the birth-death ratio of a country ( $r = .151$ ,  $p = .119$ ). Sanctions do not affect birth-death ratios of a country.

#### **Category D**

Category D attempts to establish a relationship between a country's perceived corruption and its social indicators, such as the infant mortality rates, GDP, literacy rates and birth-

death ratios. One can argue that it is perceived corruption, not the imposition of sanctions, that really has an impact on ordinary people. There is an assumption that corruption seems to have significant negative impact on ordinary people in developing countries. Corruption is widespread among developing countries, especially countries that are ruled by authoritarian regimes. Corruption is an oppression, which affects all walks of life in a country. Corruption is a kind of discrimination that has profound affects on people who are not well-connected and who are poor. Corruption is more oppressive than authoritarian regimes when the majority of people in a country believe that corruption is an acceptable cultural norm in their society.

Corruption also blocks the public from social services such as education, water, health care and sanitation. It damages the relationship and good faith between the public and the government officials, police, and authorities who demand bribes from the public for the services they provide. Many studies have been done regarding corruption and its affects on the public. According to a corruption survey in Cambodia, Cambodians who earn low incomes bribe, on average, 2.3 % of their income, and Cambodians who make a high income expend only 0.9 % in bribes. Stefanie Teggemann of World Bank argues:

The effects of the various faces of corruption are not merely financial. They may also be profoundly economic, moral, and social. If rice in a government aid project disappears, it erodes poor peoples' relationship with their community leaders and government officials. If a policeman or teacher takes advantage of his position to extract bribes, it harms their reputation and relationship of trust, destroying social capital and

decreasing moral standards. It also becomes a way of “getting things done,” eventually eroding the rule of law. (Teggemann 2002, 1 & 2)

Researchers from the International Monetary Fund assert in their paper that corruption in a country can have devastating impact on growth, the tax system, social programs, asset ownership, human capital, information, and education. A study by Ravallion and Chen in 1997 found a significant relationship between higher growth rates and higher rates of poverty reduction. Corruption inhibits growth of a country and the reduction of growth decelerates poverty reduction rate. Corruption can produce a biased tax system in which the rich and well-connected evade taxes with impunity. A highly corrupt government diverts resources from social programs that benefit the poor to the programs that benefit the rich and well-connected elites. A study by Mauro in 1997 suggested a significant relationship between the level of corruption and lower education and health spending (Gupta, Davoodi and Alonso-Terme 1998, 7 & 8).

In order to find whether there is significant relationship between corruption and social indicators, I entered the Corruption Perception Index from Transparency International into World95 data-base of SPSS (Statistical Package for Social Sciences). The Corruption Perception Index is a joint project by Transparency International and Gottingen University of Germany. A research team led by Dr. Johann Graf Lambsdorff of Gottingen University manages and computes the Corruption Perception Index annually based upon several surveys in which international businessmen were asked for their perception of the corruption levels of countries. The surveys that were used to calculate the Corruption Perception Index reflect the perception of people who work for

international companies on how corrupt a particular country is (Transparency International 1996, 3).

The research team used 10 business surveys to calculate the Corruption Perception Index of 1996. Countries that have at least four business surveys are included in the Corruption Perception Index. There were 54 countries in the Corruption Perception Index of 1996. A perfect corruption perception score for a country is 10.00; a country which receives a 10.00 corruption perception score is not corrupt. The lower the corruption perception score of a country, the higher the corruption level of a country is (Transparency International 1996, 1). The research team used three surveys from the World Competitiveness Report, Institute for Management Development in Lausanne; three surveys from the Political and Economic Risk Consultancy Ltd of Hong Kong; one survey by Peter Neumann, printed in monthly German magazine, Impulse; two surveys by DRI/Magraw-Hill Global Risk Service and the Political Risk Service of Syracuse, New York; and one internet survey from Gottingen University (Transparency International 1996, 4).

*Empirical evidence*

10. Is there a statistically significant association between perceived and the infant mortality rates?

H10- Perceived corruption and the infant mortality rates are statistically associated. A Pearson Correlation Coefficient was estimated for the relationship between Corruption Perception Index and infant mortality rates (see Table 4). A strong, but significant, correlation was found between Corruption Perception

index and infant mortality rate ( $r = -.768, p = .000$ ). There is a significant, strong and negative relationship between the CPI rating and the infant mortality rates. Corrupt countries tend to have higher infant mortality rates. Corrupt countries tend to have higher infant mortality rates because only the rich and well-connected enjoy government services such as medical cares and medicines. The poor in highly corrupt countries do not have access to government services.

11. Is there a statistically significant relationship between perceived corruption and the GDP of a country?

H11- Corruption Perception and the GDP of a country are statistically associated. A Pearson correlation was calculated for the relationship between Corruption Perception and the GDP of a country (see Table 4). A strong, but significant, correlation was found between CPI and GDP of a country ( $r = .848, p = 0.00$ ). Countries with a reputation of rampant corruption tend to have a lower GDP than countries with less corruption. The least corrupt countries have the highest GDP. Countries with a reputation of rampant corruption generally do not have free and competitive economies.

12. Are perceived corruption and literacy rates statistically associated?

H12- Perceived corruption and the literacy rates of a country are statistically associated. A Pearson correlation was examined for the relationship between CPI and literacy rate of a country (see Table 4). A strong and statistically significant relationship was discovered ( $r = .656, p = .000$ ). The least corrupt countries have the highest literacy rates, and most corrupt states have lower literacy rates. Less



corrupt countries tend to spend more money on education than highly corrupt countries.

13. Are perceived corruption and birth-death ratios of a country statistically associated?

H13- Corruption perception and birth-death ratios of a country are statistically associated. A Pearson correlation was calculated for the relationship between CPI and birth-death ratio of a country (see Table 4). A moderate and significant relationship was found between CPI and Birth-Death ratio ( $r = -.498$ ,  $p = .000$ ). Countries with a reputation of high corruption have low birth-death ratios. Many people, especially the poor and the old, do not have access to medical services in highly corrupt countries.

I would like to do more empirical research base upon 2002 Corruption Perception Index and 2002 social indicators, because the 2002 CPI included more countries than the 1996 CPI. Only 56 countries are rated in the 1996 CPI. Transparency International published its Corruption Perception Index in on August 2002. A total of 102 countries were included in 2002 Corruption Perception Index. The research team form Transparency International calculated this year's CPI based upon 15 surveys from independent institutions. The least corrupt country, according to the 2002 CPI, is Finland, with an index of 9.7. The United States is ranked 16, with an index of 7.7. Pakistan and Philippines were ranked 77, with an index of 2.6 each this year. The most corrupt countries this year are Nigeria and Bangladesh, with indexes of 1.6 and 1.2, respectively (Transparency International 2002, 1).

### Category E

This section explores determinants of the infant mortality rates and literacy rates. Each of the variables is regressed against sanctions, corruption perception index, political rights, and military spending per GDP. There is an expectation that perceived corruption and limited political rights are affecting the infant mortality rates more than the imposition of sanctions is. One can argue that infant mortality rates can be lowered by fighting perceived corruption. A significant and predictable regression equation was found ( $F(4, 46) = 18.53, p < 0.01$ ), with an R square of .617. Sanctions and military spending per GDP ( $P > 0.05$ ) are not statistically significant. The Corruption Perception Index and political rights are statistically associated. The infant mortality rate increases, according to the regression equation, 4.811 of each political right rating increase (the higher the political right rating, the lesser the political freedom). Infant mortality rate decreases 6.687 of each Corruption perception index increase (the higher the corruption perception index of a country, the less corrupt the country is).

Literacy rate is also regressed against sanctions, the Corruption Perception Index, political rights, and military spending per GDP. A significant and predictable regression equation was found ( $F(4, 45) = 9.99, p < 0.01$ ), with an R square of .47 (Regression Table for Category E). There are no significant relationships between literacy rate and sanctions and military spending per GDP ( $P > 0.05$ ). There are significant, predictable relationships between literacy rates and corruption perception index and political right ( $P < 0.05$ ). Due to the regression equation, literacy rate lowers 3.071 of every political right rating increase. Literacy rate is raised 2.741 of each Corruption Perception Index.

## Conclusion

Category A explores whether there are relationships between independent variable, economic sanctions and dependent variables: military spending, military spending per GDP, and military manpower. There is no significant relationship between sanctions and military spending according to the Pearson Correlation coefficient table. Economic sanctions do not have a significant relationship to the military spending per GDP as well. Economic sanctions, however, have a significant, but weak, relationship to the military manpower. Countries under sanctions tend to have more military personnel.

Category B examined whether there are statistically significant relationships between the imposition of economic sanctions and political right rating and civil right rating. Economic sanctions have a significant relationship toward political right rating and civil right rating. Countries under sanctions tend to have higher political and civil right ratings. Countries with limited civil and political rights tend to have authoritarian regimes. Countries under sanctions tend to have authoritarian regimes.

The Category C inquired whether there are relationships between economic sanctions and dependent variables such as infant mortality rate, GDP, literacy rate and birth-death ratio. There is no significant relationship between sanctions and birth-death ratio; however, there are significant and weak relationships between sanctions and the dependent variables of infant mortality rate and literacy rate. Economic sanctions tend to generate higher infant mortality rate ( $r = .221$ ,  $P < 0.05$ ) and lower literacy rate ( $r = .201$ ,  $P < 0.05$ ). Economic sanctions tend to have negative impact on the GDP of a country.

Countries under sanctions tend to have a lower GDP ( $r = .329$ ,  $P < 0.01$ ).

Category D tested whether there are relationships between Corruption Perception Index and dependent variables of infant mortality rate, GDP, literacy rate, and birth-death ratio. A significant, strong, and negative relationship was found between Corruption Perception Index and infant mortality rate ( $r = -.768$ ). Highly corrupt countries have high infant mortality rates. The Corruption Perception Index has strong and positive impact on GDP ( $r = .848$ ). A country has higher GDP when it is less corrupt. There is also a significant and positive relationship between the Corruption Perception Index and literacy rate ( $r = .656$ ). The least corrupt countries have the highest literacy rates. The Corruption Perception Index, however, has a negative impact on the birth-death ratio ( $-.498$ ). Corrupt countries tend to have lower birth-death ratios.

Finally, Category E calculated predictable regression equations between dependent variables (infant mortality rate and literacy rate) and independent variables (Corruption Perception Index, sanctions, military spending per GDP, and political rights). According to both regression equations, military spending per GDP and economic sanctions are not significant ( $P > 0.05$ ). Infant mortality rate increases 4.811 of each political right rating increase (the higher the political right rating of a country, the stricter the political freedom of that country). Infant mortality rate decreases 6.687 of each Corruption Perception Index increase (the higher the Corruption Perception Index of a country, the less corrupt the country is). Literacy rate lowers 3.071 of every political right rating increase. Literacy rate is higher 2.741 of each Corruption Perception Index decrease.

According to empirical evidence in this chapter, countries targeted by sanctions tend to have limited political rights, such as the limited right to choose a government by free and free elections. Countries under sanctions also tend to have few civil liberties. Limited political and few civil liberties are indicators of authoritarian government in a country. Countries with authoritarian regimes are likely to be targeted by countries without authoritarian regimes. Category C of this chapter found statistically significant relationships between imposition of sanctions and the infant mortality rates, literacy rates and the GDP. Countries under sanctions tend to have higher infant mortality rates, lower literacy rates, and lower GDP. Countries under authoritarian regimes tend to have higher infant mortality rates, lower literacy rates, and lower GDP.

## **Chapter 5: Conclusions**

The fourth chapter of this thesis explores whether there are statistically significant associations between the imposition of sanctions and military spending, military manpower, and military spending as a proportion of the GDP. One can theorize that the imposition of sanctions is effective if there are statistically significant, but negative associations between the imposition of sanctions and military spending, military manpower, and military spending as a proportion of the GDP. Most of the countries that are targeted by American sanctions tend to have authoritarian regimes. Authoritarian regimes are in power with the support of their military infrastructures. Without the support of their militaries, authoritarian regimes cannot sustain or retain their power. One can argue that sanctions are effective if they can have an impact on military structures, such as military spending, military manpower and military spending as a proportion of the GDP of those countries, which are power bases of majority of countries targeted by sanctions.

According to the empirical evidence, there is no statistically significant relationship between the imposition of sanctions and military spending. The imposition of sanction is not one of the factors that are affecting military spending. There is no statistically significant relationship between the imposition of sanctions and military spending as a proportion of the GDP. There is, however, a significant positive relationship between the imposition of sanctions and military manpower. A sanctioned country tends to have more soldiers than the countries that were not targeted with sanctions. The theory that the imposition of sanctions affects military spending is wrong,

because a statistically significant relationship between the imposition of sanctions and military spending cannot be established. One can assume, however, that the imposition of sanctions is counter-productive, since countries under sanctions tend to have more military personnel than the countries that are not targeted by sanctions.

The second section of the chapter explores whether there are statistically significant relationships between the imposition of sanctions and political and civil rights. There are statistically significant associations between the imposition sanctions and political and civil rights. Sanctions in this study affect the political and civil rights of a country in a negative way. People under sanctions suffer more limited political rights and fewer civil liberties. There is a strong possibility that the imposition of sanctions itself does not necessarily cause limited political and civil rights of people. Countries with limited political rights are more likely to be targeted by economic sanctions. There are other factors, such as form of government, political culture, and literacy rates, that might be affecting the political and civil rights. It is also possible that the imposition of sanctions creates a tighter political environment in which citizens' political and civil rights suffer.

The third section of chapter 4 of the thesis explores statistically significant relationships between the imposition of sanctions and social indicators, such as the infant mortality rates, literacy rates, the GDP, and birth-death ratios. Critics of economic sanctions claim that economic sanctions are affecting well-being of ordinary citizens of target countries. There is an assumption that economic sanction is one of the factors affecting the lives of ordinary citizens if there are statistically significant relationships

between the imposition of sanctions and social indicators. One can safely say that the imposition of sanctions does not affect ordinary citizens if there are no statistically significant associations between the imposition of sanctions and social indicators.

There is a statistically significant association between the imposition of sanction and the infant mortality rates. The imposition of sanctions and the infant mortality rates are statistically associated. Countries under sanctions tend to have higher infant mortality rates. The imposition of sanctions and the gross domestic product of a country are statistically associated. States under sanctions tend to have lower gross domestic product. There is a statistically significant relationship between the imposition of sanctions and literacy rates of a country. Countries under sanctions tend to have lower literacy rates. Sanctions do not affect birth to death ratios of a country. There is no significant relationship between sanctions and birth to death ratios of a country. Since there are statistically significant relationships between the imposition of sanctions and the infant mortality rates, literacy rates and the GDP, we cannot rule out the observation that the imposition of sanctions is one of the factors affecting those social indicators. We can, however, safely argue that the imposition of sanctions does not have an impact on birth-death ratios.

The fourth section of the empirical chapter explores whether there are statistically significant relationships between perceived corruption and social indicators and their levels of associations. There is an argument that perceived corruption, not the imposition of sanctions, is one of the significant factors that is affecting ordinary people. There are statistically significant associations between perceived corruption and social indicators.



The imposition of sanctions and social indicators are statistically associated in previous section as well. We can argue that perceived corruption ( $r = -.768$ ) is affecting the infant mortality rates more than the imposition of sanctions ( $r = .221$ ) is. We can also argue that perceived corruption ( $r = .656$ ) is affecting literacy rates more than the imposition of sanctions ( $r = -.201$ ) is. Finally, an assumption can be made as well that perceived corruption ( $r = .848$ ) affects the GDP of a country more than the imposition of sanctions ( $r = -.329$ ) does. According to the comparison between the perceived corruption and the imposition of sanctions toward the infant mortality rates, literacy rates, and the GDP, perceived corruption seems to have more of an impact on those social indicators than the imposition of sanctions does. It is unlikely that perceived corruption, or for that matter, the imposition of sanctions alone, has direct, causal relationship to those social indicators. There might be other intervening factors, such as culture, forms of political systems, and other social indicators which are affecting the infant mortality rates, literacy rates, and the GDP of a country. Due to the empirical evidence of the fourth chapter, we can assume that countries under sanctions have higher infant mortality rates, lower literacy rates, and lower GDP. Sanctions, according to the evidence, are more likely to target toward authoritarian regimes.

Economic sanctions are essential parts of a sound foreign policy for the United States. Without economic sanction, American foreign policy would be as simple as black and white. A simple American foreign policy will never be productive in the current, complicated, diverse world. The United States would only have diplomatic and military means to deal with complicated conflicts around the world without economic sanction as

a part of its foreign policy. Many observers have argued that economic sanction does not work. Just like diplomatic and military means, some economic sanctions are more effective than others for many reasons.

Critics of economic sanction reason that economic sanction always fails because sanction in many instances could not force a regime change or behavior change of a regime in a target country. I do not believe that economic sanctions, as part of foreign policy, can be measured by the standard of “failure” and “success.” We can never expect that economic sanctions alone would change a regime or behavior change of a despotic regime. Similarly, we can never expect diplomatic action alone would force a regime to change its behavior. We can never anticipate that military means alone would accomplish regime change of a country. The United States learned bitter lessons in Vietnam and Korean wars that military interventions alone cannot guarantee regime changes.

If we would measure the outcomes of economic sanctions by the standard of “failure” and “success,” we must also measure the outcomes of diplomatic and military means by the same standard. One can say that American military interventions in Vietnam and Korea failed because they could not produce regime changes in those countries. We cannot abandon military interventions as parts of American foreign policy just because American military interventions in Vietnam and Korea failed to produce respective desirable regimes. The United States, along with members of United Nations, has put diplomatic pressures on many despotic regimes to alter their behaviors in the past. There are many instances in the past that diplomatic pressures by the United States and United Nations failed to produce behavior change of authoritarian regimes. One can

argue that the failures of diplomatic actions are greater than those of economic sanctions in the past.

Opponents of economic sanctions have been demanding that the United States not use economic sanctions as instruments of American Foreign policy. They argue that economic sanctions do not work because they cannot achieve a regime change or behavior change of a country. If we cannot force a regime change or behavior change of a regime by imposing economic sanctions, we cannot expect that diplomatic pressures would produce behavior change of a regime or regime change of a country. If we have to abandon economic sanction as part of American foreign policy because it cannot always produce a regime change or a behavior change of a regime in a target country, we must also give up diplomatic pressures as parts of American foreign policy, since they could not, in many instances in the past, achieve desirable results.

Economic sanctions have been used by the United States for many reasons. Sanctions can be used as a moderate policy between diplomatic and military means. Ivan Eland writes in his article:

The sanctioning nation may wish to punish the target nation, uphold international norms, demonstrate solidarity with allied nations or the internal opposition in the target nation, or deter worse behavior by demonstrating the will to escalate to a stronger response. These pressures to take some action stronger than a diplomatic response often collide with the reality that more drastic responses, e.g., covert action and military intervention, may not commensurate with the target's unacceptable

behavior or may involve severe costs. Thus, because nations have limited policy options to influence the behavior of other nations and because sanctions occupy the middle ground between diplomatic and paramilitary/military action, they are often selected as the means to pressure a target nation. (Eland 1995, 29 & 30)

Many scholars have looked for factors affecting the success of sanctions. In her analysis of case studies, Kimberly Ann Elliott identified factors affecting the success of sanctions. Sanctions are most effective when the expected result of sanctions is limited. Limited goals of sanctions can be very effective, because significant international cooperation, which is hard to achieve, is not required to enforce sanctions. Modest goals of a sanction tend to be effective, because opponents of the sanctioning country often hesitate to undermine sanctions imposed by their rival (Elliott 1995, 53). The second factor affecting the success of sanctions is the nature of target country. Sanctions tend to be very effective when target country is economically smaller than sanctioning country. Sanctions tend to have greater impact on the target country when the target country is politically and economically fragile. The third factor affecting the successful outcome of sanctions is the nature of relationship between sanctioning country and target country. The imposition of sanctions is quite effective if the sanctioning country and target country were close trade partners before sanctions took place (Elliott 1995, 53). The fourth factor affecting the success of sanctions is how sanctions are carried out. Sanctions are most effective when they are imposed promptly and comprehensively against the target country. Comprehensive and rapid sanctions are efficient, because the target

country does not have time to adapt to counter the impact of sanctions. The effectiveness of sanctions decreases over time, since the target country develops ways to endure sanctions and international cooperation to enforce sanctions tends to erode in the long run. The final factor affecting the success of sanctions is the costs of sanctions for sanctioning countries. High costs of a sanction tend to encourage strong domestic opposition in the sanctioning country, and most sanctioning countries are democratic countries (Elliott 1995, 53).

An empirical analysis done by Jaleh Dashti-Gibson and his colleagues from the University of Notre Dame indicates that the factors that influence the effectiveness of sanctions depends upon the goals of the sanctioning states. The researchers conclude in their study, “if sanctions are designed simply to punish, then virtually the only matter of consequence is the target’s initial stability. If sanctions are actually designed to precipitate proactive changes in policy, then the use of financial sanctions appear to be most productive” ( Dashti-Gibson, Jaleh, Patricia Davis and Benjamin Radcliff 1997, 615). “Our data suggest that for goals other than destabilization, there is a modest but real downward trend over time in the likelihood that sanctions will succeed,” they wrote in their conclusions (Dashti-Gibson, Jaleh, Patricia Davis and Benjamin Radcliff 1997, 616).

Some observers argue that sanctions, especially multilateral ones mandated by the United Nations, are effective in countering rogue states such as Iraq and Libya. Meghan L. O’Sullivan writes:

Both the cases of Iraq and Libya demonstrate that multilateral sanctions can achieve limited objectives, if the international community is willing to

employ the measures for long periods of time. While those desiring the removal of Iraqi leader Saddam Hussein from power consider multilateral sanctions insufficient to do the job, these sanctions have been instrumental in the quest to minimize Saddam's access to foreign exchange and weapons technology. UN sanctions against Libya provide an even more obvious example of success. Although much more limited and targeted than the multilateral sanctions on Iraq, UN restrictions on Libya helped coerce Qaddafi into surrendering the two Libyans suspected of bombing Pan Am 103. (O'Sullivan 2000, 59)

Opponents of economic sanctions argue that sanctions affect the American economy. A report by Congressional Budget Office indicates that the cost of sanctions to American economy is small and insignificant. The report observes that the domestic costs of sanctions are small because the countries most likely to be targeted by American sanctions are developing countries which have very limited trade relations with the United States. The United States can also easily substitute the products from target states with those from other countries at limited additional expenses (U.S. Congressional Budget Office report 1999, xi).

There are, however, a few developing countries, such as China, that have a poor human rights record and substantial trade relations with the United States. The United States, if it has to impose sanctions against China due to human rights violations, can apply sanctions that would limit the cost of sanctions to the American economy. A report by the Congressional Research Service has identified six different categories of sanctions

that the American government can impose. “Restrictions on trading, technology transfer, foreign assistance, export credits and guarantees, foreign exchange and capital transactions, and economic access” are six categories of economic sanctions that can be applied by the United States (Lee 2002, 8).

The warning and the imposition of sanctions have been a fundamental part of foreign policy strategies of successive American administrations to alter both the domestic and international behavior of the Chinese government. The United States has imposed or threatened to impose economic sanctions against China in two policy arenas. First, the United States has threatened to end China’s Most Favored Nation trading status if the Chinese government does not correct its human rights violations. If the Americans revoke China’s MFN status with the US, Chinese companies will not have access to the American market. The American government also has imposed sanctions against China to stop its sales of weapons of mass destruction technologies and ballistic missiles to rogue states (Ross 1998, 10).

The threat or application of American sanctions against China for non-proliferation policy seems to have been effective, because the Chinese government understands that the American administration has the willpower to achieve its goal of stopping nuclear proliferation, and because the costs of compromise for China were minimal. The American threat to end China’s MFN status for human rights abuses failed, because the Chinese believed that the American government did not have the desire to bear the costs of sanctions for human rights violations. The Chinese leaders sometimes conceded the demands, especially the demands to release particular political prisoners, of

the American presidents when they believed that the presidents were under intense pressure from domestic constituencies to achieve the demands (Ross 1998, 11).

A number of policy recommendations can be made to improve the effective imposition of economic sanctions against China. The United States will be better off applying limited sanctions, rather than comprehensive sanctions that are costly. The Chinese leaders compromised the limited sanctions that are applied to achieve compliance with the non-proliferation policy. The United States can gain credibility by imposing limited sanctions, while threatening to use comprehensive sanctions if the Chinese government does not follow the non-proliferation policy (Ross 1998, 28).

The threat of economic sanctions against China has caused responsiveness when the American government offers incentives for compliance. Chinese leaders have not attempted to avoid sanctions when they believe that the administration will not end sanctions or try to improve relationships. President Clinton's sanction policy against China did not succeed because the administration did not explain clearly to the Chinese leaders that the sanctions would be lifted if China complied with American demands (Ross 1998, 29).

The threats to impose sanctions and actual application of sanctions are essential parts of American foreign policy toward China. Opponents of sanctions demand that the United States abandon economic sanctions as parts of its foreign policy. They argue that the United States must get rid of its sanctions policy since American sanctions cannot change the behavior of the Chinese regime. The United States would have only diplomatic and military means as parts of its foreign policy toward China if it abandoned



economic sanctions as a foreign policy tool. One can argue that diplomatic means would also fail to change behavior of the Chinese government, even if the application of sanctions against China could not produce desirable results. Do we have to abandon diplomatic means if it cannot achieve a behavior change in the Chinese government? Are we going to take military action against China if and when diplomatic and sanction policies failed to produce desirable results? These are the questions we have to answer before abandoning economic sanctions as instruments of American foreign policy. The United States must use sanctions as instruments of its foreign policy against China even if it can only achieve compliance with its nuclear non-proliferation policy.

Unlike China, Iraq is one of the most interesting cases regarding economic sanction from 1990s to present. Iraq was the first country to be multilaterally sanctioned for its regional military adventures since the demise of the Soviet Union in 1989. The sanctions against Iraq were the first attempt by the United States to impose sanctions for reasons other than the fight against Communism. The United States led the international community to stop Iraqi military adventures in the region. The Bush administration followed the Iraq policy of the Reagan administration in 1989. The goals of the policy were to ensure limited relations with Iraq while monitoring the activities of Saddam Hussein in the region (Melby 1998, 107).

The sanction against Iraq is significantly different than American sanctions against other countries in many ways. Many countries participated in the imposition of economic sanctions against Iraq. Unlike other unilateral sanctions by the American government, the United Nations led by the United States imposed economic sanctions

against Iraq. The sanctions undoubtedly prohibited Saddam from rebuilding his military forces. The sanctions also prevented the Iraqi regime from developing weapons of mass destruction, chemical and biological weapons. One of the lessons that can be learned from Iraqi sanctions was that authoritarian leaders, like Saddam Hussein, are not easy to replace through means of sanctioning alone. Another is that sanctions, as foreign policy instruments, cannot be measured by a “success” and “failure” standard (Melby 1998, 123). Economic sanctions against Saddam also proved that multilateral sanctions are more effective than unilateral sanctions (Melby 1998, 122).

Economic sanctions are essential parts of American foreign policy. Several conclusions can be drawn from this thesis with respect to economic sanctioning as part of American foreign policy. We have learned that multilateral sanctions are more effective than unilateral sanctions. Multilateral sanctions, however, are difficult to obtain. Economic sanctions with limited goals are more effective than sanctions with ambitious goals. Sanctions to deter nuclear proliferation and development of weapons of mass destruction are more effective than sanctions with other purposes. One can argue that economic sanctions against Iraq are very effective because they prevented Iraqi regime from acquiring weapons of mass destruction. There is an argument that compressive and quick sanctions are more effective than limited and gradual sanctions. Countries targeted by comprehensive and quick sanctions tend to have hard times adjusting comprehensive sanctions. President Woodrow Wilson claimed the following:

A nation that is boycotted is a nation that is in sight of surrender. Apply this economic, peaceful, silent, deadly remedy and there will be no need

for force. It is terrible remedy. It does not cost a life outside the nation boycotted, but it brings a pressure upon the nation which, in my judgement, no modern nation could resist. (Carter 1988, 9)

**Table 1: Correlation for Category A****Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
sanctions	109	0	1	.20	.403
Military manpower	104	0	2930	202.49	392.658
Military Spending	101	13	277800	8399.09	29923.151
Military Spending per GDP (Pecent)	99	.50	28.60	3.4889	3.77291
Valid N (listwise)	97				

**Correlations**

		sanctions	Military manpower	Military Spending	Military Spending per GDP (Pecent)
sanctions	Pearson Correlation	1	.253**	-.055	.141
	Sig. (2-tailed)	.	.010	.587	.164
	N	109	104	101	99
Military manpower	Pearson Correlation	.253**	1	.588**	.220*
	Sig. (2-tailed)	.010	.	.000	.030
	N	104	104	99	97
Military Spending	Pearson Correlation	-.055	.588**	1	.061
	Sig. (2-tailed)	.587	.000	.	.546
	N	101	99	101	99
Military Spending per GDP (Pecent)	Pearson Correlation	.141	.220*	.061	1
	Sig. (2-tailed)	.164	.030	.546	.
	N	99	97	99	99

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

**Table 2: Correlation for Category B****Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
sanctions	109	0	1	.20	.403
Civil rights rating	109	0	7	3.79	1.991
Political rights rating	109	0	7	3.58	2.241
Freedom Rating	108	0	1	.37	.485
Valid N (listwise)	108				

**Correlations**

		Civil rights rating	Freedom Rating	Political rights rating	sanctions
Civil rights rating	Pearson Correlation	1	-.823**	.940**	.492**
	Sig. (2-tailed)	.	.000	.000	.000
	N	109	108	109	109
Freedom Rating	Pearson Correlation	-.823**	1	-.818**	-.293**
	Sig. (2-tailed)	.000	.	.000	.002
	N	108	108	108	108
Political rights rating	Pearson Correlation	.940**	-.818**	1	.443**
	Sig. (2-tailed)	.000	.000	.	.000
	N	109	108	109	109
sanctions	Pearson Correlation	.492**	-.293**	.443**	1
	Sig. (2-tailed)	.000	.002	.000	.
	N	109	108	109	109

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Table 3: Correlation for Category C****Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
sanctions	109	0	1	.20	.403
Infant mortality (deaths per 1000 live births)	109	4.0	168.0	42.313	38.0792
Gross domestic product / capita	109	122	23474	5859.98	6479.836
Birth to death ratio	108	.92	14.00	3.2035	2.12497
People who read (%)	107	18	100	78.34	22.883
Valid N (listwise)	106				

**Correlations**

		sanctions	Infant mortality (deaths per 1000 live births)	Gross domestic product / capita	People who read (%)	Birth to death ratio
sanctions	Pearson Correlation	1	.221*	-.329**	-.201*	.151
	Sig. (2-tailed)	.	.021	.000	.037	.119
	N	109	109	109	107	108
Infant mortality (deaths per 1000 live births)	Pearson Correlation	.221*	1	-.640**	-.900**	.118
	Sig. (2-tailed)	.021	.	.000	.000	.224
	N	109	109	109	107	108
Gross domestic product / capita	Pearson Correlation	-.329**	-.640**	1	.552**	-.338**
	Sig. (2-tailed)	.000	.000	.	.000	.000
	N	109	109	109	107	108
People who read (%)	Pearson Correlation	-.201*	-.900**	.552**	1	-.271**
	Sig. (2-tailed)	.037	.000	.000	.	.005
	N	107	107	107	107	106
Birth to death ratio	Pearson Correlation	.151	.118	-.338**	-.271**	1
	Sig. (2-tailed)	.119	.224	.000	.005	.
	N	108	108	108	106	108

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

**Table 4: Correlation for Category D****Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Infant mortality (deaths per 1000 live births)	109	4.0	168.0	42.313	38.0792
Gross domestic product / capita	109	122	23474	5859.98	6479.836
People who read (%)	107	18	100	78.34	22.883
Birth to death ratio	108	.92	14.00	3.2035	2.12497
Corruption Perception Index	54	.69	9.43	5.3357	2.60417
Valid N (listwise)	52				

**Correlations**

		Infant mortality (deaths per 1000 live births)	Gross domestic product / capita	People who read (%)	Birth to death ratio	Corruption Perception Index
Infant mortality (deaths per 1000 live births)	Pearson Correlation	1	-.640**	-.900**	.118	-.768**
	Sig. (2-tailed)	.	.000	.000	.224	.000
	N	109	109	107	108	54
Gross domestic product / capita	Pearson Correlation	-.640**	1	.552**	-.338**	.848**
	Sig. (2-tailed)	.000	.	.000	.000	.000
	N	109	109	107	108	54
People who read (%)	Pearson Correlation	-.900**	.552**	1	-.271**	.656**
	Sig. (2-tailed)	.000	.000	.	.005	.000
	N	107	107	107	106	53
Birth to death ratio	Pearson Correlation	.118	-.338**	-.271**	1	-.498**
	Sig. (2-tailed)	.224	.000	.005	.	.000
	N	108	108	106	108	53
Corruption Perception Index	Pearson Correlation	-.768**	.848**	.656**	-.498**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.
	N	54	54	53	53	54

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Table 5: Regression Tables for Category E****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.786 <sup>a</sup>	.617	.584	19.2918

a. Predictors: (Constant), Political rights rating, Military Spending per GDP (Pecent), sanctions, Corruption Perception Index

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27590.904	4	6897.726	18.534	.000 <sup>a</sup>
	Residual	17120.022	46	372.174		
	Total	44710.926	50			

a. Predictors: (Constant), Political rights rating, Military Spending per GDP (Pecent), sanctions, Corruption Perception Index

b. Dependent Variable: Infant mortality (deaths per 1000 live births)

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	56.918	11.602		4.906	.000
	Corruption Perception Index	-6.687	1.347	-.571	-4.966	.000
	Military Spending per GDP (Pecent)	-1.083	1.319	-.076	-.821	.416
	sanctions	2.770	10.181	.028	.272	.787
	Political rights rating	4.811	2.050	.291	2.346	.023

a. Dependent Variable: Infant mortality (deaths per 1000 live births)



**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.686 <sup>a</sup>	.470	.423	12.780

a. Predictors: (Constant), Political rights rating, Military Spending per GDP (Percent), sanctions, Corruption Perception Index

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6526.931	4	1631.733	9.990	.000 <sup>a</sup>
	Residual	7350.049	45	163.334		
	Total	13876.980	49			

a. Predictors: (Constant), Political rights rating, Military Spending per GDP (Percent), sanctions, Corruption Perception Index

b. Dependent Variable: People who read (%)

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	79.965	7.774		10.286	.000
	Corruption Perception Index	2.741	.896	.420	3.061	.004
	Military Spending per GDP (Percent)	-.169	.874	-.021	-.193	.848
	sanctions	-.818	6.745	-.015	-.121	.904
	Political rights rating	-3.071	1.369	-.332	-2.243	.030

a. Dependent Variable: People who read (%)

## Appendix

Political rights checklist questions for political right rating are:

1. Is the head of state or head of government or other chief authority elected through free and fair elections?
  2. Are the legislative representatives elected through free and fair elections?
  3. Are there fair electoral laws, equal campaigning opportunities, fair polling, and honest tabulation of ballots?
  4. Are the voters able to endow their freely elected representatives with real power?
  5. Do the people have the right to organize in different political parties or other competitive political groupings of their choice, and is the system open to the rise and fall of these competing parties or groupings?
  6. Is there a significant opposition vote, de facto opposition power, and a realistic possibility for the opposition to increase its support or gain power through elections?
  7. Are the people free from domination by the military, foreign powers, totalitarian parties, religious hierarchies, economic oligarchies, or any other powerful groups?
  8. Do cultural, ethnic, religious, and other minority groups have reasonable self-determination, self-government, autonomy, or participation through informal consensus in the decision-making process?
- ([www.freedomhouse.org/research/freeworld/2000/methodology2.htm](http://www.freedomhouse.org/research/freeworld/2000/methodology2.htm))

The civil liberties checklist questions by the survey research team are:

A. Freedom of Expression and Belief

1. Are there free and independent media and other forms of cultural expressions?
2. Are there free religious institutions and is there free private and public religious expression?

B. Associational and Organizational Rights

1. Is there freedom of assembly, demonstration, and open public discussion?
2. Is there freedom of political or quasi-political organization?
3. Are there free trade unions and peasant organizations or equivalents, and is there effective collective bargaining? Are there free professional and other private organizations?

C. Rule of Law and Human Rights

1. Is there an independent judiciary?
2. Does the rule of law prevail in civil and criminal matters? Is the population treated equally under the law? Are police under direct civilian control?
3. Is there protection from political terror, unjustified imprisonment, exile, or torture, whether by groups that support or oppose the system? Is there freedom from war and insurgencies?
4. Is there freedom from extreme government indifference and

corruption?

#### D. Personal Autonomy and Economic Rights

1. Is there open and free private discussion?
2. Is there personal autonomy? Does the state control travel, choice of residence, or choice of employment? Is there freedom from indoctrination and excessive dependency on the state?
3. Are property rights secure? Do citizens have the rights to establish private businesses? Is private business activity unduly influenced by government officials. The security forces, or organized crimes?
4. Are there personal social freedoms, including gender equality, choice of marriage partners, and size of family?
5. Is there equality of opportunity, including freedom from exploitation by or dependency on landlords, employers, union leaders, bureaucrats, or other type of obstacles to a share of legitimate economic gains?

([www.freedomhouse.org/research/freeworld/2000/methodology3.htm](http://www.freedomhouse.org/research/freeworld/2000/methodology3.htm), 1 & 2)

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