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**THE POWER OF SANCTIONS AS A TOOL OF INTERNATIONAL
RELATIONS: FACTORS THAT DEFINE ITS SUCCESS**

Master's thesis

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ABSTRACT

Historically, states and international organizations have used economic sanctions as a policy tool for achieving certain objectives against a targeted state. However, the debate over the effectiveness of these measures is still relevant. Some scholars insist that sanctions, as a restrictive measure, are not robust enough to achieve the ‘sender’ state’s goal. Still, the ultimate success or failure of sanctions could be determined by several factors, such as the target-state’s economic ability to withstand the imposed pressure or how effective the cooperation is between the ‘sender’ states against the target-state. As a result, there are a number of factors or conditions that can affect the level of success of sanctions. Thus, the goal of this thesis is to add value to the debate over the utility of such tools of foreign policy.

It is important to note that the question of the effectiveness of sanctions should be set apart from the question of the utility of such instruments of foreign policy. The purpose of this paper is to define the conditions under which sanctions could be an effective tool, by comparing and analyzing appropriate historical cases.

Key words: economic sanctions, effectiveness, the international community, influence, target-state.

INTRODUCTION

Since the end of the Cold War, political liberalism has viewed economic sanctions as a more humane instrument, as opposed to the realists who have mainly focused on the state's self interest through military force (Pape 1997, 90). In an unstable international system, economic sanctions have become an alternative to military actions of regime change and assertion of political influence, neither of which recognize democratic principles or the rule of law. These economic restrictive measures have now become a part of the foreign policy toolkit that states have at their disposal when trying to exert influence on another state's behaviour.

However, sanctions do not always work as restrictive measures, especially "when used unilaterally as a stand-alone weapon" (Hufbauer *et al.* 2007, 1). Furthermore, sometimes the strategic effect of implementing sanctions can only be achieved over a long period. Yet, some scholars still believe that sanctions are an important measure for achieving foreign policy goals. According to Hufbauer, Gary and Clyde (2007, 47), "... financial sanctions offer the potential for greater effectiveness as a foreign policy tool because they are relatively easier to enforce, harder to evade, and may spur market-reinforcing effects". In support of this argument, Myers (1997) pointed out that the use of sanctions is a pragmatic and successful tool in exerting influence on the target country. Nevertheless, the majority of studies claim that sanctions as a foreign policy tool have become ineffective. For instance, Renwick concluded, in references to the Southern Rhodesian case (following Zimbabwe's declaration of independence in 1980), that sanctions "have very rarely succeeded in producing the desired results" (Renwick 1981, 77).

Both sides are reasonable, though single case studies of economic sanctions are limited in their ability to generalize on the issue. Thus, in order to evaluate the effectiveness of sanctions, there needs to be an analysis of the factors that lead to the use of sanctions and of the conditions under which sanctions could, with necessity, work. Failing to understand the goals and conditions of

sanctions would obstruct the answer to the following question: are sanctions an effective tool of foreign policy or not? In order to analyse and measure the effectiveness of economic sanctions, this paper will focus on empirical evidence of successful cases (such as South Africa) and of surprisingly less successful cases (such as North Korea). A more recent case is that of Russia, but as it is a relatively new one, it is difficult to determine how to attribute the results achieved. Thus, the following case study range has been selected in order to be representative of both successful and less successful cases of using restrictive measures.

This paper contributes to the global discussion of the effectiveness of sanctions as a tool of foreign policy and verifies some statements that were made in the previous studies. Thus, the research objective leads to three research questions: Why is economic coercion necessary for the international community?, Why do sanctions always not always achieve their goals?, and Under what conditions does the sanction success rate increase?.

In order to answer these questions, this paper will analyse sanctions through three independent variables: 1) regime type; 2) the legitimacy of the target-nation; and 3) the economic/trade linkage between the target and sender countries. Additionally, this paper intends to observe the degree of political stability of the target-state prior to and during the sanction implementation period. The support of the political regime will be used as a relevant indicator in measuring a country's political stability.

This paper is structured as follows. The first chapter will present the types of sanctions that are mostly used by the states, as well as explain the specific aspects of each tool of coercion from an analytical perspective. The next chapter will mainly focus on the concept of success in sanctions and will define the reasoning behind their implementation. The third chapter will then analyse two case studies, with the first being an example of a successful outcome in South Africa, and the second example being a description of the way in which sanctions have failed in North Korea. These contrasting cases were selected in order to represent more empirical findings through studying the

relationship between the variables. Finally, the fourth chapter will explore the conditions under which sanctions could be considered to be a successful tool of foreign policy.

Methodology

The level of success of sanctions can be measured by their ability to achieve changes in the behaviour of the target-state. Thus, the research design and methods have been based on the process of defining sanction cases, their duration, and the outcome of their implementation through an overview of various documents, among them the works of Hufbauer, Schott and Elliott (1990). In addition to the main goal of analyzing the success of these sanctions, the present study also seeks to determine the conditions under which the rate of success could be increased.

In sum, the aim of this research will be to analyse two different types of sanction situations. The first is when sanction implementation is successful and the sender state's objectives are achieved. Conversely, the second one is when the economic sanctions fail, or more precisely, when the sender state's attempts to affect and change the wayward behaviour of the target state are unsuccessful. Examination of the conditions under which the success rate increases leads to certain variables. The first variable that should be considered is the different types of authoritarian regimes. This can be examined using the recent study and findings of Frantz, Geddes and Wright (2014, 320). Building on their empirical study, this paper has highlighted three main categories of regime types: a tyrannical regime or monarchy, a single-party regime and a democratic regime. Based on the findings, the tyrannical regime or monarchy is in many ways dependent on external sources. Thus, in some cases, it is easier for the international community to exert influence on it. However, in the case of the single party type or single-party/tyrannical regimes, the government is less vulnerable to external pressure, being that the survival of this regime is provided for mainly by the supportive elite. Thus, it could be argued that in this type of regime, in order to achieve success, pressure should be imposed on all supporting groups.

The final group is the democratic regime. This type of the government is more susceptible to different types of sanctions because it is more dependent on external factors. Therefore, positive results of sanctions can be achieved in a short period of time.

The other variables that can also be observed and analysed are the economic conditions of the target-states, such as GDP per capita, natural resource accessibility and the state's economic growth. This study has found that a correlation exists between economic stability and sanction success. Otherwise, Hufbauer *et al.* (2007) argue that democratic states with a relatively stable economic situation are less likely to be sanctioned.

In order to conduct this research, the author has implemented several research methods, among them qualitative research (explanatory case study research) and an analysis of secondary literature and documents. Specifically, qualitative research has provided in-depth descriptions of the cases that were observed. Qualitative research has also offered insight into the problems that occur in these situations. Thus, this method was used in order to provide detailed descriptions of sanction phenomena. Moreover, it was used in order to understand the underlying reasons for and the overall outcome of the sanctions imposed. In the case of the qualitative method, there is an opportunity to work with specific cases, which could be separated from the broader context. However, most scholars prefer to focus on only one research method. Nevertheless, by using the multi-method approach, the research topic could be examined at different levels. Thus, documentary analysis was implemented in the present paper for this purpose, which involved the collecting and examination of material that included facts and data concerning the sanctions cases.

The previous studies will be the main source for this research. Thus, the author will rely on previous analysis and conclusions concerning these findings rather than analysing the raw data as a basis for this research. Therefore, in the present paper, quotations and conclusions that were determined in previous research will be used.

The final method that was implemented in this paper was case study research. By using this method, it is easier to understand and analyse the phenomenon of sanctions, along with its processes, effectiveness and outcomes. This is due to the fact that we are able to get a more holistic and clear picture of each specific case. The advantage of this method is that it creates the possibility of examining the limited number of cases and their relationships more closely. As compared to the quantitative method, which looks at data on the macro level, these case studies explore and investigate the data on a micro level. Thus, these methods are more likely to complement each other rather than compete with each other. Concerning the present topic, the cases of sanctions are very different and vary from one example to another. There are also no stable patterns or similar cases. Thus, in this situation, where there is a lack of similar cases for investigation, this method of research can be suitable, especially for observing single-case patterns. However, this single-case design method has its limitations in providing a generalized conclusion, particularly when events are different. Therefore, it is preferable to combine this method with other methods in order to confirm the accuracy of the conclusions drawn.

The use of mixed research methods ensures an advantage in one's research when observing complex questions or topics, such as the use of sanctions. In particular, each method examines different issues of the case. However, by mixing overlapping methods, we are able to create a more complete result. Essentially, this mixed method approach is more appropriate for the present topic. Due to the limitations of the case studies, this research topic did not require a multivariate analysis. Thus, it could be observed more deeply and more extensively. Moreover, this structured methodological research can provide key insights, as well as assess the effectiveness of the restrictive measures and analyse selected cases more closely. The variety of the cases examined shows the need for this particular methodological framework, which makes the observations much more clear, and the analysis much more simple and straightforward.

1. THE GOALS OF ECONOMIC SANCTIONS

Based on previous studies of sanctions, restrictive economic measures are placed mainly against states which have either broken international law or international moral norms (Sellers 2006). The use of sanctions is a rational decision of policymakers, as was noted by Herbert Simon, the aim of which is to “... select the alternative that results in the more preferred set of all the possible consequences” (Simon 1976). However, by using sanctions, policy makers can pursue different goals in different cases. Thus, it would be necessary to analyse the reasoning behind the imposition of sanctions in each case separately, and thereafter examine the goals that were stated. Yet, the motives behind the use of sanctions by the international community could be defined as deterrence, coercion, subversion, international/domestic symbolism and message sending (Cooper Drury 2005; Cortright *et al.* 2002). However, despite the number of goals pursued by sender-states it is difficult to exclude the one thing that remains common to all sanctions, which is the act of punishment for wrongdoing. Thus, in the following chapters, the author will analyse the goals of sanctions through the prism of prevention of the misconduct of states.

1.1. Deterrence

As stated by Lorber *et al.* 2015 “sanctions allow ... to take non-military actions in cases where military force, where the cost of using force is too high, but a strong response is required”. Thus, the international community resorts to the application of economic pressure against the target state as a tool of deterrence and punishment for their deviant behaviour. The sender country’s objective is to penalize the target-country and to discourage other states from future wrongdoing. In other words, economic sanctions, as a punitive measure, contribute to the formulation of internationally agreed basic standards of legitimate conduct (Leyton-Brown 1987).

More precisely, deterrence refers to the ability to prevent or at least discourage future unpleasant policy, by demonstrating capability and readiness to suppress unacceptable behaviour. Moreover, this punishment approach decreases the risk of repeated undesirable action by the targeted country. For example, sanctions imposed against China in response to the Quemoy-Matsu crisis in 1954-1955, could be considered as a deterrence success. At that time, Vice President Nixon declared: “[We have to adopt] an area of action between war and appeasement ... [otherwise it would lead to a] chain reaction of aggression by Chinese Communists” (Komine 2008).

There are times when sanctions are imposed in order to deter other states from unwanted behaviour, by demonstrating the probable consequences or cost of misbehaviour. The classic example is the U.S.-Cuba case, where trade bans and a complete embargo against financial institutions were imposed by the U.S. on Cuba. One of the goals of the sanctions was to demonstrate a prompt reaction in order to deter and intimidate those states throughout Latin America that supported the Castro policy.

However, the deterrence strategy has faced criticism from the very beginning. Some scholars, Lebow and Stein among them, have denounced the effectiveness of the deterrence strategy and argued that deterrence rarely succeeds (Lebow *et al.* 1989). Based on their empirical research¹, they found that immediate deterrent threats failed in most cases, as in the example of the Cuban missile crisis in 1962. The use of threats by the U.S. in order to abate the Soviet’s behaviour appears to have had exactly the opposite effect. The Soviets used this “inactivity” as an opportunity for strengthening their own strategic position. In opposition to this, Allison argued that the choice of the U.S. Status Quo position is always favorable for the defender, as this tactic forces the other side to make the final choice: “the Kennedy administration's tactic of blockading Cuba ... forced the Soviets to make the final choice between (nuclear) war and peace” (Zagare *et al.* 2000, 190). Yet, in defining the deterrence theory, there should be a clear formulation of the concept of what is meant by “success”. If success is identified as the absence of war, it would indicate that the threats were

¹ Their case studies indicate that during the period from the late 80s and early 90s, deterrence succeeded in 2 cases out of 10. *Ibid.*, 210.

effective. In other words, according to Zagare and Kilgour (2000, 13) “deterrence can be said to have succeeded even when a crisis occurs, or when one state is able to win concessions from another by threatening war.” Thus, in the range of possible resolutions, deterrence could be considered as a tool for buying time for negotiation before applying force and only time will tell whether this approach is effective or not.

1.2. Compliance (Coercion)

In terms of pursuing foreign policy goals, sanctions can sometimes be recognized as an appropriate tool of coercion. While using deterrence, the sender country’s goal is to prevent undesirable actions. In contrast, the use of coercion seeks a behavioural change from the target-state or the cessation of carrying out certain actions that are already in process. The essence of coercion is that the target-state is required to satisfy the ‘sender’s’ demand in certain ways. Yet, Jack S. Levy (2008, 545) defines coercive diplomacy as “a political-diplomatic strategy, that aims to influence an adversary's will or incentive structure.” In short, the aim of this approach is to create an arrangement that fulfils one's demands or to find the most favourable compromise, while at the same time managing the crisis in order to “prevent unwanted military escalation” (*Ibid.*, 539). In addition, the “attractive” nature of coercive diplomacy was noted by George (1971, 19), who pointed out that coercive diplomacy usually “achieve[s] reasonable objectives in a crisis with less cost; with much less, if any, bloodshed; with fewer political and psychological costs.”

For example, in 1961 coercive diplomacy was successfully applied by U.S. President Kennedy in order to prevent of the collapse of the Royal Laos government, which was initially supported by the U.S. government. The U.S. considered Laos to be a strategically and politically important region that should be protected from Chinese communist aggression. Moreover, Laos had a common boundary with non-communist states, such as Burma, Thailand, Cambodia and South Vietnam. Former U.S. President Eisenhower called this situation a “row of dominos” (George 1991), which means the loss of one country to communists would affect the entire region’s stability. Thus, Kennedy was strongly motivated to create coercive threats of military intervention that would have

made an impression on his rivals. Unfortunately, the success of the Kennedy administration in Laos was not long-lived. However, this strategy bought some time for development of a new policy for stabilization of the Southeast Asia region.

Nevertheless, the use of coercion was not always considered to be a successful tool of diplomacy. A classic example that represents the failure of coercive diplomacy is the First Gulf War. In 1990, after the invasion of Kuwait by Iraqi forces, the international community called on Saddam Hussein to retreat. In response to this threat, U.S. President George H.W. Bush declared: “This will not stand, this aggression against Kuwait” and announced the offensive ground operation Desert Storm (This aggression will not stand 1991). As a result, there was an attempt to suppress the wayward behaviour of Iraq by a number of economic measures. Since Iraq refused to comply with the requirements provided by the international community, the latter was forced to implement more drastic measures, such as Operation Desert Storm, which led to an increase in coercive diplomacy, in an attempt to force Iraq’s troops out of Kuwait. However, even with the threat of military force, Iraq still refused to withdraw their forces. On the one hand, this situation was as a surprise for the international community, while on the other hand, this crisis showed the limitation of coercive diplomacy.

Still, the practice of coercive diplomacy is widely used by states in order to achieve political objectives without the need to resort to military force. Unfortunately, this strategy is not a universal tool for preventing conflict escalation. Thus, the employment of coercive diplomacy does not guarantee this strategy's success. Instead there are a number of factors that create a favourable strategic environment, such as strong and clear demands, interaction between sender states, credible threats and the target-state’s fear of conflict escalation. It could be argued that in the case of coercive diplomacy, the key factor is the psychological pressure that is applied by the sender states (before the crisis escalates into war) and the ability of the target-state to resist it.

1.3. Destabilization (Subversion)

Destabilization of the target-state can still be considered to be one prominent strategy of sanctions. Through economic pressure, the leaders of the target-state could be destabilized. The leaders who are under economic pressure are more likely to lose their office, rather than those who are not. Moreover, according to the research conducted by Mark Kramer²(2015), negative economic conditions force “the vast majority of people in the target-country ... [to] blame their own government for the hardships and possibly rise up against it.” Indeed, the practice of destabilizing the political leaders of the target-state seems to be more fruitful because the leaders are usually more vulnerable to the threat of losing their office. For instance, the expropriation of American Enterprises in Chile, under the administration of President Allende in 1970, led to the imposition of economic sanctions.

The measures that were taken by the Nixon administration, after the “violent nationalization” (Osieja 2006) of the American copper industry, included limitations of credits and economic aid for Chile. As a result, in 1972, the Chilean government was forced to pay all foreign debts, which caused inflation and a decrease in the average citizen’s income. The economic disaster that Allende’s policy brought immediately increased the sense of frustration of the general population. This economic crisis and the deterioration of living conditions impelled the citizens of Chile to demand the resignation of President Allende. Thus, it could be argued that the sanctions that were imposed by the U.S. caused the Chilean economic hardship, which in turn provoked the downfall of Allende’s administration. Hence, the fear of losing power stimulated the government of the target-state to comply with the sender state’s will.

However, some researchers, among them Abel Escribà-Folch (2008), claimed that authoritarian regimes are less likely to be exposed by sanctions because they are more dependent on the loyalty of the supporting coalition. In other words, the probability of replacing the incumbent ruler is increased

² Mark Kramer is a director of the Cold War studies program and Senior Fellow of Davis Center for Russian and Eurasian studies, Harvard University.

when the sanctions are targeted against members of the supporting coalition. In this case, the dictator loses “patronage resources” (*Ibid.*) and becomes more vulnerable to foreign pressure. Yet, sanctions do not only jeopardize the ruling coalition, but also strengthen domestic opposition groups. In support of this, William Kaempfer, as cited in Portela (2010, 5), developed a theory, which indicates that sanctions do not directly influence the downfall of the government per se, unless there is a “reasonably well-organized opposition group whose political effectiveness potentially could be enhanced as a consequence of sanctions”. In particular, the case of South Africa illustrates how sanctions affect the strength of the target-state’s opposition groups. While domestic opposition was ready to support strong sanctions (which were implemented by the international community) the latter provided political support in response and expressed solidarity with the opposition group. It could not be argued that this particular case of sanction implementation was very successful. However, it was in fact a combination of external pressure and the civil resistance movement that brought about a restructuring of the political environment.

Nevertheless, the impact of sanctions on the viability of a certain regime very much depends on the type of authoritarian regime that is already in place in the targeted state. In the case of a tyrannical dictator, sanctions do not have any desirable effect. In fact, they could actually cause the consolidation of the dictator’s power. On the contrary, sanctions could be considered to be an excellent tool for the dictator to use in order to control his/her population, being that the dictator could convince the citizenry that the difficulties faced by the state were caused by external enemies. Paradoxically, the population could blame the international community for imposing the sanctions that caused the country’s suffering and made the country’s material situation significantly worse, rather than accuse the ruling regime. The dictatorship propaganda “tends to turn a populace against the proximate cause of its devastation, not the underlying causes” (Weisberg 2006). This strategy leads to strengthening of the dictatorship and secures loyalty among the population. For instance, the sanctions consolidated Saddam Hussein’s power in Iraq because he was able to use the sanctions as a leverage for black market control.

Still, most scholars argue that the strategy of exerting pressure on ruling elites through the support of the opposition could produce more results and could create preferable political changes within target-state, more so than a strategy of simply imposing sanctions on a vulnerable population. The strategy of supporting the domestic opposition movement could achieve desirable policy changes more easily, while minimizing unfavorable consequences for the target-state's population.

1.4. Signaling

Many policy makers argue that the imposition of economic sanctions could be considered to be a message to the target-state indicating the capability of the enforcing state. In other words, sender states prefer to use sanctions over military force as a more useful strategy. In particular, U.S. President Barack Obama stated in 2010: "Today's sanctions are yet another signal that if ... [the target-state's] government continues to undermine ... the peace ... , then ... [the target-state] will find itself more isolated, less prosperous and less secure." Obviously, economic sanctions, which are imposed by the international community or by a great power, always demonstrate a threat of stronger actions against the target-country in the future. The purpose of "signalling" is to persuade the target-state to accept the sender's will in order to change wayward behaviour before launching into military actions. Furthermore, the implementation of economic sanctions make the potential military threat more credible and demonstrates the sender state's capability to the opponent.

A recent case that could be analysed is the Comprehensive Iran Sanctions Accountability and Divestment Act of 2010.³ The main aim of this act was to increase foreign pressure on Iran and to demonstrate the capability of the U.S., along with warning opponents against escalation of the dispute. As was noted by then the Secretary of State Hillary Clinton (2009): we "... always looked at the potential of sanctions in the event that we are not successful". In this particular case, "the event" that she was referring to would be the agreement with Iran. She also added that if the resolution of

³ Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA), the Act was signed by U.S. President Barack Obama on July, 2010. This document "expands significantly the energy-related activities that are sanctionable and adds new types of sanctions that can be imposed." [WWW]
<http://www.state.gov/e/eb/esc/iransanctions/docs/160710.htm> (05.06.2016)

Iran's case were not to happen, those restrictive measures would be applied even more aggressively. Later, U.S. President Barack Obama (2010) added that more serious consequences would follow if the Iranian government did not change its behaviour. He also specified, that "... the growing costs [of dispute escalation] ... will come with Iranian intransigence." By strengthening these measures, the international community clearly signalled the ability and willingness to carry out punishment in the case of non-compliance.

Yet, some opponents of this theory argue that the signalling value of sanctions are weak regardless of severity. In the case of Iran, Russian Foreign Minister Sergey Lavrov (2009) called this measure an ineffective tool by stating that "[t]hreats, sanctions and threats of pressure in the current situation ... would be counterproductive." He also insisted, that in the case of signalling, sanctions could be effective only if in combination with preparation for a military option, otherwise they are less likely to be effective. Indeed, the downplaying of any demonstration of military intention served to weaken the leverage of the international community on Iran.

As the Iranian case indicates, the signalling value of sanctions is still a highly controversial topic. However, despite the questionable success of the signal policy, it is still popular to impose sanctions because, on the one hand, they are easy to apply and, on the other hand, they warn the opponent about the potential harm that could be inflicted in the future. Hence, such a signal is not necessarily supposed to be resolution of the case, but more likely a demonstration of the ability and capability of the sender state. Thus, sanction threats could be seen as a strong signal, but only in the cases in which the sender country demonstrates considerable intention.

1.5. Symbolic tool

In most cases, sanctions are viewed as a measure of punishment, rather than a symbolic tool of statecraft. Thus, the symbolic purpose of sanctions is not considered to be one of the primary goals. However, this element is always behind the sanctions policy. Some scholars, among them I. Eland (1993, 31), argue that: "... symbolic goals are important and may even be vital. Nations watch the

behaviour of other countries carefully for subtle clues about their intentions and resolve.” Indeed, the symbolic message to the world is an important objective that cannot be neglected amid the primary purpose of the punishment that is usually only associated with sanctions theory.

However, some scholars argue that the symbolic value of sanctions is difficult to measure. Therefore, they consider the symbolic purpose meaningful, yet ineffective. This misconception could be justified by the fact that there is confusion in the specification of the target group “at whom this message of sanction was aimed” (Whang 2011). So far, there are two types of symbolic purposes that exist: one that is aimed towards domestic audiences, and one that is aimed towards international audiences.

In terms of the domestic side of the symbolism, economic sanctions create a feeling amongst the population that their government is acting firmly and in the right direction. In some cases, sanctions even primarily serve a domestic purpose rather than pursue an international goal, such as changing the behaviour of the targeted state. For example, in 1930 when Italy invaded Abyssinia, the statesman David Lloyd George noted that “... [sanctions] came too late to save Abyssinia, but they are just in the nick of time to save the British Government” (Hufbauer *et al.* 2007, 6). Another example of a primarily domestic symbolic purpose is the US export embargo against Cuba that was approved by U.S. President Dwight D. Eisenhower in 1960, on the eve of the election of the President. Some scholars argue that this step was taken in order to support the Republican presidential candidate, Richard Nixon. Nevertheless, his opponent, John F. Kennedy, also announced a campaign to eliminate Fidel Castro. So, in this case, the sanction initiative could be viewed primarily as an element of domestic policy, and only secondarily as a method to change the Cuban regime.

In terms of the international aspect of the symbolic purpose, economic sanctions serve as an impetus to expressing strong disagreement with an issue, while at the same time demonstrating the sender state’s leadership initiative and commitments. The Western sanctions against China in 1989, imposed in response to the violent repression of demonstrations, are a good example. Particularly,

U.S. President George H.W. Bush (1989) stated: “The United States cannot condone the violent attacks and cannot ignore the consequences for our relationship with China.” The tougher measures were imposed in response to the anti-democratic and anti-humanitarian actions of the Chinese government in Tiananmen Square. Later on, George H.W. Bush wrote in his diary: “I’m sending signals to China that we want the relationship to stay intact, but it’s hard when they’re executing people, and we have to respond. We’ve got to stand for what this country believes in- human rights, right for peaceful protests ...” (Miyashita 2003, 58). However, this reaction appeared to be more effective in strengthening the position of the international community, in particular that of the U.S. President. On the contrary, the anti-humanitarian measures were less of a focus, being that over time the restrictive measures against China were weakened. Nevertheless, the situation with human rights in this instance was still questionable.

A close examination of these symbolic purposes shows that the domestic use of sanctions is primarily aimed at satisfying a domestic audience, while the international use is aimed at strengthening the position of the sender state. However, it could be argued that the sanction policy of the great powers is more focused on instrumental rather than symbolic implementation, being that there is a risk that “symbolic sanctions will be interpreted by the target as a sign of weakness” (Hunter 1991, 52).

In all cases of sanctions, there will probably be a combination of different goals and objectives that are not only related to the obvious targets, but also have domestic purposes and involve third parties. The goals of the sanctions can be dictated by the internal and external sources of pressure, which are proclaimed frequently and primarily by the government of the sender state. The tendency of having a foreign policy objective for imposing sanctions is guided by the willingness of a powerful state to defend its own interests and foreign policy objectives. However, the motives, goals and outcomes of sanctions will be examined further in the following section, using South Africa and North Korea as examples.

2. WHY ECONOMIC COERCION IS NECESSARY FOR THE INTERNATIONAL COMMUNITY?

Economic sanctions as an essential tool of foreign policy have recently received considerable attention in different countries and regions. Specifically, the importance of sanctions has increased in those cases where diplomacy seems less substantial and the cost of military force deployment has grown. Thus, it could be argued that sanctions are considered as a threshold between pure diplomacy and military action. Therefore, the tendency to implement sanctions in international politics could be observed as a versatile tool that is used by policymakers when other measures have proven to be insufficient. Indeed, sanctions offer a variety of approaches that aim to exert influence, prevent recourse to force, create a common ground for consensus and reinforce international norms (Rowe, 2004, 1). As a result, this versatile instrument has become the basis for foreign policy in the rapidly changing world of the twenty-first century.

The emergence of globalization as a dominant world phenomenon has turned sanctions into a premier tool of choice for policy makers. As a result, the use of sanctions as a diplomatic tool of foreign policy has increased over the last decades. Indeed, prior to 1990, sanctions were only used twice as a restrictive measure by the United Nations (UN), specifically against Southern Rhodesia in 1966⁴ and South Africa in 1977.⁵ However, since then, the number of sanctions imposed by UN has increased more than ten times (UNSC). In addition, the European Union (EU) has implemented sanctions in 31 cases since 1992 (The EU sanctions map), while the U.S. has used sanctions programs unilaterally as a part of its policy a full 29 times since 2010 (Sanctions Programs and Country Information). This shift towards the popularity of financial restrictive measures could be

⁴ In 1965, the Rhodesian government announced the unilateral declaration of Independence from the United Kingdom, as a result, the UN decided to impose economic sanctions on the breakaway colony.

Rauschnig, D., Wiesbrock, K., Lailach, M. (1997). *Key Resolutions of the United Nations General Assembly 1946-1996*. 1st ed. Cambridge: Cambridge University Press.

⁵ In 1977, the UN imposed mandatory sanctions against the racial discrimination and threat to peace in South Africa. Crawford, N., Klotz, A. (1999). *How Sanctions Work: Lessons from South Africa*. 1st ed. New York: Macmillan Press.

explained by the fact that world economies have become more interdependent and, as a result, more vulnerable to the effect of sanctions. Moreover, the US and other wealthy countries are able to use their advantage in the world economy in order to “exert hegemonic influence” over targeted states for achieving economic and noneconomic goals (Alexander, 2009, 40). In other words, the growing role and active participation of the states in foreign exchange markets has let wealthy countries dictate their terms more easily to targeted states. Therefore, it is possible that the implementation of restrictive measures may seriously undermine the target-state’s economy, as well as cause tension with important trading partners, thus diverting investments away.

The anti-Russian sanctions package, for example, that was announced in 2014 by the United States and the EU in response to the Crimea annexation, has weakened the Russian economy considerably. According to data from the World Bank, Russia’s GDP was \$2.064 trillion U.S. dollars in 2014. However, in 2016, it dropped significantly to \$1.283 trillion (World Bank national accounts data, 2016). In total, the decrease of Russia’s GDP over these two years was about 54 percent when adjusted for inflation (Worldwide Inflation Data 2016). Moreover, instituted measures have increased economic pressure by “... caus[ing] previously robust foreign investment to grind to a halt” (Orenstein, Kelemen, 2016, 9). In other words, the blocking of direct investments into the Russian economy and the limiting of the country's access to the market has isolated Russia from international capital markets. However, some officials from Putin’s administration have stated that the main reason behind the Russian economic crisis was the decline in global oil prices, not the implementation of economic sanctions. In particular, Russian Finance Minister Anton Siluanov argued that the annual cost of sanctions to the Russian economy in 2014 was roughly 2% of GDP as compared to the 5% loss of GDP due to oil prices (Sanctions over Ukraine... 2016).

It is definitely true that over the last few years, Russia’s economy has struggled due to “the twin shock” (Nelson 2017, 4) caused by multilateral sanctions and a significant decline in oil prices. However, most analysts believe that it was the financial restrictive measures that caused the main problems to the Russian economy. For instance, the International Monetary Fund’s economic

forecasts suggested that the “ban on agricultural imports reduced Russian output over the short term by as much as 1.5% of Russia's economy.” (*Ibid.*, 2)

The second reason behind the attractiveness of sanctions to policymakers is the opportunity to exert international influence (Kulesa, 1998, 7). The imposition of sanctions, especially on less powerful countries, let other countries to assert their leadership in world affairs. This tactic is particularly true for the United States, which consistently uses restrictive measures against other states in order to uphold its world leadership position. Along this line, Hufbauer, Schott and Elliott (2007, 5) found that U.S. presidents were forced to “dramatize their opposition to foreign misdeeds” even if the desired changes in the behaviour of the target country were less likely to appear. Thus, it could be argued that in the case of the United States, the price of inaction outweighs the cost of sanctions. In other words, the inability of the American government to act decisively against misconduct may result in loss of confidence abroad and may threaten its leadership position in the eyes of the international community.

In particular, according to many observers⁶, the passiveness of the Obama administration in the case of Syria raised questions of confidence in American leadership. Similarly, the lack of actions against the Assad regime and the unwillingness to intervene in the Syrian civil war have not gone unnoticed by world leaders. For example, Saudi politician and diplomat, Turki bin Faisal Al Saud accused the United States of indifference towards the situation in the Middle East in his speech to the World Policy Conference in Monaco. He added that “... [the American failure, as a global leader, to stop the conflict in Syria is] almost a criminal negligence ... [that raises] an issue of confidence” (Erlanger, 2013).

The importance of reputation and the state’s role in international relations are other significant factors behind the sanction concept. In his research, Taehee Whang (2011) pointed out that US foreign policy, with its initiative to use sanctions, “[aimed to show] strong leadership during

⁶ According to J.Klein (is a political columnist for Time magazine) “[The inactivity of Obama administration in the case of Syria were] stunning and inexplicable displays of presidential incompetence that I’ve ever witnessed” - Klein, J. (2013). Obama and Syria: Stumbling Toward Damascus. - *Time Magazine*, 11 September, 2013.

international conflicts [rather than solving them].” Also, Whang indicated that “cultivating the image of strength” (*Ibid.*, 790) through the imposition of sanctions by political leaders, is felt directly at home in the form of increasing domestic support, regardless of the effectiveness of the implemented restrictive measures. For example, during the presidential campaign of 1992, Bill Clinton appealed to Cuban-Americans in Florida and criticized the administration of George H. W. Bush for inaction, stating that “I think this administration has missed a big opportunity to put the hammer down on Fidel Castro[’s regime] and Cuba” (LeoGrande *et al.* 2015). By declaring this, Bill Clinton demonstrated political strength and, as a result, gained significant support in Florida, thereby pushing George H. W. Bush to sign the Cuban Democracy Act⁷. Under this bill, a list of restrictions were imposed on the Cuban regime. This step helped George H. W. Bush to secure Florida’s electoral votes in his presidential campaign (Oppenheimer, 1992). However, in opposition to Whang’s theory, Daniel W. Drezner (1999) has noted that domestic support is not a dominant force for the imposition of sanctions. Moreover, he concluded that “sanctions are a purposive tool of foreign policy, to be employed in situations where ... [the state] has a significant interest in the outcome”(Drezner, 1999).

Undoubtedly, one of the greatest advantages of sanctions for policymakers is that it is a relatively low-cost⁸ form of coercion that does not involve high political risks (Byman, Waxman, 2002). In comparison, the use of military force as a tool of coercion can easily increase government budget expenditures, cause undue casualties and produce unpredictable results with the possibility of further conflict escalation. Thus, the rationale for implementing sanctions stems largely from the fact that this approach is aimed at avoiding the threat of war.

⁷ The Cuban Democracy Act passed in 1992 and prohibited foreign-based subsidiaries of U.S. companies from trading with Cuba, travel ban, and family remittances to Cuba. - See Oppenheimer, A.(1992). *Castro’s Final Hour*. 2nd ed. New York: Touchstone.

⁸ By claiming that the cost is a primary characteristic of choice, it is important to note that the real cost of using sanctions often tends to be ignored by the researchers. Thus, it is difficult to evaluate the real cost of political choice compared with other forms of coercion. According to Baldwin the sanctions can’t be viewed as a low-cost substitute of statecraft. In attempting to evaluate sanctions as a policy alternative, Baldwin concluded that “choice implies cost <...> [otherwise it] would have no policy relevance”. In support of this argument, B. Early in his studies estimated that due to the loss of export in 1995, the sanctions cost approximately 200 000 jobs for the US economy.

In addition to this, the period of time spent on the decision-making process⁹ could be a decisive factor that may define the outcome of the conflict. Therefore, the swiftness¹⁰ of sanction implementation can be used to enhance political credibility, thereby making sanctions an attractive tool of foreign policy.

However, despite the perceptible advantages for policymakers to exercise “peaceable coercion” (Kegley 2007), an understanding of how to transform this economic effect into the desired political outcome still remains limited. Therefore, it is important to compare specific case studies in more detail and, in particular, to analyse the positive and negative outcomes of the imposing of sanctions.

2.1. Why don't sanctions always achieve their goals?

Overall, economic sanctions remain a popular tool of foreign policy due to the absence of available alternative options for regulating foreign misdeeds. The basic principle behind such restrictive measures is confidence that the hardship imposed on the target-state will disincline unacceptable policy and, at the same time, encourage democratic reforms (Amstutz 2013). Undoubtedly, economic pressure may encourage changes in the behaviour of a foreign state. However, sanctions often fail to result in the desired policy outcome.¹¹ Therefore, in order to examine in-depth the degree to which sanctions have been successful, two¹² cases studies have been chosen to be

⁹ Some scholars argue, the delay in the implementation of the restrictive measures from the international community may cause the immunity to the sanctions program.

Doxey, M. (1980). *Economic Sanctions and International Enforcement*. 1st ed. London: Macmillan for the Royal Institute of International Affairs.

¹⁰ In response to Iraq's invasion and annexation of Kuwait (1 August, 1990) the Security Council adopted (2 August, 1990) a conflict resolution (United Nations Security Council resolution 660) that condemned the invasion and called for the immediate withdrawal of Iraqi troops from Kuwait. However, Iraq's government refused to comply with it, so this step forced the international community (6 August, 1990) to implement stringent economic measures against Iraq. In particular, the international community imposed trade and financial restrictions. The sanctions were largely in force until Iraq's government was removed from power (May, 2003).

Joyner, C.(1995). - “Collective Sanctions as Peaceful Coercion: Lessons from the United Nations Experience.”- *Australian Yearbook of International Law*, pp 241-270.

¹¹ Based on the research conducted by Hufbauer, Scott and Elliott (2007) of 115 incidents of sanctions between 1914 and 1990, the rate of achieving policy goals still remain low, these findings were summarized in *Table 1*.

Hufbauer, Schott, Elliott, Oegg. (2007). *Economic Sanctions Reconsidered*. 3rd ed, Washington, DC: Peterson Institute.

¹² The main objection against presented case studies is that the reasonable conclusion cannot be made based on such insignificant number of samples. Nevertheless, the study enables to find out conditions in which the particular outcome will be possible. Case studies focused more on aspects how sanctions work rather than how often do they succeed.

discussed: South Africa and North Korea. However, prior to analyzing the rate of success and distinguishing the “more successful” cases from the “less successful” ones (see *Table 1*), it is important to identify what success means.

2.1.1. The concept of success

Success is a tricky concept, although it is often defined as a desired foreign policy outcome. Still, the definition of success in the context of policy goals remains blurred. Undoubtedly, there is often a political cost involved with success that must be considered in our estimation. In other words, sanctions that secure compliance with the sender’s demands by means of inflicting great suffering on a population are unlikely to be considered as an example of success. Thus, in terms of evaluating success, it is necessary to consider both the cost and benefits of the implementation of sanctions. D. Baldwin proposed in his research that the rate of success could be measured in terms of (net) value of a foreign policy undertaking (Baldwin, 2000). However, this proposal, which used the analogy of a company, cannot be fully applied here. Unlike in business entities, policy makers cannot use monetary units of measurement to evaluate the level of success of sanctions. Therefore, in this context, the assessment of success may be achieved through analyses of three separate components: effectiveness, cost, and risk.

The effectiveness of sanctions cannot be “based on the direct economic harm inflicted by sanctions” (Amstutz, 2013). Rather, it can be assessed using three sub-criteria, namely the area of influence, the degree of influence, and the region of influence (*Ibid.*). The area of influence refers to the number of issues for which the restrictions were imposed, such as human rights violations, weapon proliferation, aggression towards neighboring states, etc. The second sub-criteria measures the level of the potential impact from the sanctions to the target state, and can be measured as low, medium or high. As for the third sub-criteria, it refers to the number of potential sufferers caused by the sanctions. This designation includes organizations, people, countries, etc. Therefore, it could be argued that the broader the area of influence, the higher the degree of impact and larger the number of potential sufferers, the more effective the sanctions.

Despite the fact, that the general conclusion should be excluded, still the key features could be identified and used in further studies.

The cost of the imposition of sanctions is an important factor in evaluating the level of success. At this point, it is necessary to highlight that punitive measures usually tend to inflict economic cost on both the target and the sender state. In the case of the sender state, these costs “intend to demonstrate resolve abroad”. However, at the same time, if the cost of sanctions is too high, it could cause domestic political backlash (Hufbauer *et al.* 2007). Thus, if such government undertakings involve excessive costs, the statecraft techniques cannot be considered to be successful. For instance, the compliance of Iraq with the obligations imposed by the international community is considered to be a successful example of the implementation of the sanctions system under Security Council resolution 687 (1991)¹³.

However, the price of success was found to be too high for both the sender and the target-state in terms of both the economy and human lives.¹⁴ As was stated by Denis J. Halliday¹⁵ “We [were] in the process of destroying an entire society. It [was] as simple and terrifying as that” (Rieff 2005). Indeed, the cost of implementation of sanctions on Iraq was enormous and, for sure, the international community was faced with many moral and strategic choices. In 1996, Madeleine Albright¹⁶ tried to justify the actions in Iraq by saying “... [sanctions] are not black and white choices; the choices are really hard” (*Ibid.*). However, on the other hand, any cost savings for punitive measures may result in sending a signal of weakness and actually may encourage the target-state to resist. Even so, policymakers do not intend to involve excessive costs in their undertakings. Thus, it could be concluded that the imposition of sanctions should only be considered successful if the cost of success is rational.

Another key factor that is used to indicate the success level of sanctions is the evaluation of risk. Taking into account that “sanctions are of limited utility in achieving [goals of] foreign policy” (Hufbauer *et al.* 2007, 159), policymakers tend to analyse the weight of contribution in terms of

¹³ Security Council resolution 687 calls for a ceasefire agreement and restoration of Kuwait sovereign integrity. Accessible: <http://www.un.org/Depts/unmovic/documents/687.pdf>, 27 October 2017.

¹⁴ According to a research from Brown University, the US federal price for the post-9/11 undertakings was about 4.8 trillion dollars. Also, more than 370,000 people were died because of direct violence, and 800,000 more due to indirect activities of the parties of the conflict. Accessible: <http://watson.brown.edu/costsofwar/>, 27 October 2017.

¹⁵ Denis J. Halliday was the UN Humanitarian Coordinator in Iraq from 1 September 1997 until 1998.

¹⁶ Former United States Secretary of State, she served from 1997 to 2001 under President William Clinton.

pursuing objectives. Thus, as was stated by D. Baldwin (1999, 99) “the bigger the stakes, the more valuable is the contribution.” This argument is also relevant to the target-state; the more it has at stake, the less likely it is that it will change its behaviour. The case of North Korea clearly illustrates the argument presented here. North Korea’s compliance with the demands of the international community will undermine the North Korean regime and ruin the traditional game of large power, thereby destroying national dignity in eyes of the local citizens. Thus, the stakes are too high and, as a result, North Korea’s resistance will increase, regardless the amount of risk involved. Therefore, the success of any sanctions should be weighted in terms of the difficulty of implementing and evaluating the long-term costs.

Indeed, success is a broader concept and, undoubtedly, such criteria are an important part of it. However, it is still quite complicated to predict the level of success based only on those dimensions. Despite this fact, no certain set of variables exist. Yet, the concept of success cannot proceed solely from the logic of effectiveness at any cost. In his research, Hufbauer proposed defining the concept of success by stating that “the costs of defiance borne by the target must be greater than its perceived costs of compliance” (Hufbauer, *et al.* 2007, 50). In other words, the cost that is imposed on the target-state should outweigh spending on coercion. However, a level of confusion exists, in particular regarding how and to what extent we can evaluate the real cost of sanctions for the target-state and how the cost should be calculated in terms of implementation of those sanctions. When such questions are posed, the policy-choices become even harder and slower. Thus, as was stated by D. Baldwin (2000), when no alternative methods for policy exist, sanctions are the best policy tool, even if their cost is excessive and expectations of success are low.

2.2. Case studies

Nevertheless, all the cases that will be analysed below are unique (both in the intensity and the duration of sanctions), and each of them differs in the way that the targeted state was affected by the implementation of restrictive measures. There is still one factor that all these examples have in common: that an undemocratic, repressive regime type is observed in all the cases that were

selected. However, the reasoning for the implementation of sanctions do not coincide in all cases. Specifically, South Africa was put under pressure because of its racial segregation and discrimination, and North Korea was targeted in response to the development and testing of its nuclear program and its refusal to suspend its uranium enrichment program.

Despite the fact that this research is based on the contrast of the case studies, still, both examples are unified with the concept of sanctions. In other words, this contrast of two case studies provides the large pattern of empirical findings with respect to the same variables. Thus, the range of cases and the manner in which they have been affected by sanctions can provide us with an in-depth analysis of the conditions under which sanctions succeed or fail.

3. THE SUCCESS OF SANCTIONS: THE CASE OF SOUTH AFRICA

The case of South Africa is frequently considered as “proof” that sanctions are an effective tool of statecraft that can create conditions for a successful democratic transition. Numerous scholars, even those who do not strongly believe¹⁷ in the efficacy of sanctions, have been persuaded that the case of South African was a major success. This “proof” of success has raised the levels of optimism amongst the international community that “sanctions can achieve major foreign policy goals” (Elliot 1998). For example, anti-apartheid advocate A. D. Tutu, who was inspired by this positive effect, called for policymakers to impose sanctions against Burma by saying “ ... the people of Burma need support in the same way we South Africans did [and the international community have to] help to transform [Burma towards freedom and democracy]” (Tutu 2002).

However, Robert Pape (1997) disagrees with this assessment of the role of sanctions in South Africa. In his research paper “Why economic sanctions do not work” he concluded that the end of apartheid in South Africa was “over-determined” by many different factors that led to the single effect. Thus, in order to evaluate the real result of sanctions, it is important to analyse the condition of the state prior to the time the sanctions were imposed. It is only through doing so that it’s possible to determine how exactly economic measures contributed to the political changes in South Africa and under which conditions such political transition was feasible.

¹⁷ For example, T. Weiss, who opposed the idea of sanctions effectiveness, stated, that measure that was put on South Africa have caused changes that brought the positive side-effect for society, including “the education and job opportunities for black workers”- Weiss, T. (1997). *Political Gain and Civilian Pain: Humanitarian Impacts of Economic Sanctions*. 1st ed. Boston: Rowman & Littlefield Publishers.

3.1. The degree of political stability prior to the sanctions period

European colonialism had a definite impact on the formation of South African society and political power. Over the centuries, black South Africans were denied equal opportunities in cultural, social and political areas. Thus, racial discrimination appeared to become an important issue in South African society.

In 1948, after the victory of the Afrikaner NP and the Labour Party, a racial hierarchy with “de facto” domination of white people was established (Crawford 1999). This led to the government making great efforts to ensure that both racial groups were physically separated in work and in social interactions. This resulted in an anti-apartheid political movement. However, the shift towards anti-apartheid resistance was more noticeable in the late 1970s. In July of 1976, protests by peaceful black youths in Soweto were suppressed by police force (Brown 2016). For the black population, Soweto thus became a threshold that shaped a new phase of resistance. People openly demanded reform, such as providing equal opportunities for all and improving living conditions. In response to this, Prime Minister P. W. Botha (1978–89) highlighted that discrimination of black people was both “hurtful and unnecessary” in his speech “adapt or die”. However, at the same time, he remained completely confident that white people should continue to stay in power (Gardner 1997). As a result, the conflict was escalated.

3.2. Regime Type

The one-party ruling system clearly defined the apartheid period. However, while the monopoly of the ANP party was won through the elections, this regime type still could not be defined as democratic. On the one hand, the Apartheid regime tried to exercise strong control and dominance over the South African culture and to implement racial division. Yet, on the other hand, the government’s attempts were unsuccessful in preventing the emergence of opposition. Thus, as was stated by Duverger (1964, 308), the South African government’s power was defined as a “question

of influence rather than strength.” In other words, in this strong autocratic system, the possibility of opposition was reduced, but not eliminated. Therefore, Southall (2003) later defined the Apartheid regime type as a “low intensity” democracy that was vulnerable to the external pressure and has a ground for the further transition to democracy.

3.3. Economic vulnerability and resilience

At the same time, the economy of South Africa was experiencing a crisis that was partially induced by global economic factors, including the oil crisis (1978) and the collapse of the gold standard (1971). Both crises caused stagflation in Western economies and, as a result, the cost of South Africa’s imports was increased. All of these trends caused a problem for South Africa’s economy, specifically a high inflation rate of 10% and a decline in the rate of GDP from 4.9% per year (1947-1974) to 1.8% per year (1974–1987) (Lowenberg 1997). This stagnation made South Africa’s economy more reliant on investments, thus letting it become more vulnerable to outside pressure. Indeed, this trend was especially noticeable after the events in Soweto, when police actions against demonstrators caused an outflow of capital and the replacement of long term investments by short-term loans.

As was stated by an executive from Chase Manhattan Bank: “The risk attached to political unrest and economic instability became too high for our investors. We decided to withdraw. It was never the intention to facilitate change in South Africa, the decision was taken purely on account of what was in the interest of Chase and its assets” (Waldmeir 2001). Thus, by 1985, two-thirds of South Africa’s total foreign debt of \$24 billion (Lowenberg 1997) was comprised of short-term loans.¹⁸ Undoubtedly, all these issues together created the foundation for changes in South Africa’s governmental policy, thereby creating the conditions for a successful “apartheid reform”.

¹⁸ Despite the fact, that the economy of South Africa was in a condition of debt crisis, it still was less risky and therefore attracted investors. However, investors were not able to provide South Africa with long term loans instead of that they increased interest rates and cut the length of loans. Thus, based on new agreement, the payment or renewal was required from South Africa within six month. This system put government under pressure in case if investor refuse to renew the loan.

See Lowenberg, A. (1997). Why South Africa’s Apartheid Economy Failed?. - *Contemporary Economic Policy*, 15(3), 62–72.

3.4. The legitimacy of the target nation

The sanction campaign against the apartheid regime in South Africa could be divided roughly into three waves, mostly in response to domestic political confrontation. Namely, the Sharpeville Massacre¹⁹ of 1960, The Soweto Rebellion in 1976 and, most prominently, when township violence forced the Botha government to declare a state of emergency in 1985 (see *Table 2*).²⁰

Undoubtedly, the black opposition protests and their violent suppression undermined the idea of a potentially peaceful transition towards reformation of the apartheid system. Those events had demonstrated that passive resistance could only lead to bloody results. However, these social movements caused an increase in international concerns toward apartheid in South Africa and, as a result, international pressure was escalated. Economic sanctions took place gradually in the beginning of the 1950s, and by the late 1980s they reached a peak, affecting almost every aspect of the South African community from sports bans²¹ and cultural boycotts, to the arms embargo, oil supply restrictions, and trade prohibition.

3.5. The deployment of sanctions

The initial decision to implement sanctions that was taken by international community was driven by two policy objectives. Obviously, the main idea behind the sanctions was to put an end to apartheid and ethnic cleansing in South Africa. However, the second less prominent idea was to

¹⁹ The brutal and violent repression of the peaceful protest in Sharpeville against pass law. During this demonstration police open fire on the crowd, as a result 69 unarmed black protesters, mainly women and children, were killed. - Mwakikagile, G. (2008). *South Africa in Contemporary Times*. 1st ed. South Africa: New Africa Press.

²⁰ Prior to the declaration the state of emergency, in March, during the demonstration in Uitenhage police opened fire and 20 people were killed - See Mwakikagile, G. (2008). *South Africa in Contemporary Times*. 1st ed. South Africa: New Africa Press.

²¹ South Africa was excluded from the participation in Olympic Games, which were held in Tokyo, 1964. *International Olympic Committee* (1991). Sport, Le Troisième Millénaire. Quebec City: Les Presses de l'Université Laval.

enforce an end to South African aggression, particularly in Namibia.²² The restrictive initiatives and demands for an anti-apartheid movement were taken on by the majority of countries and organizations, both by governmental and non-governmental organizations. Specifically, the first decisive steps were taken by African states, who became concerned about the hostile course of South Africa. For example, expenditures on military force were increased from 1.9% of GDP in 1960 to 5% of GDP in 1963 (Wet et al. 1996). Thus, in the late 1960s, ten independent African states accepted a trade and diplomatic boycott program, as well as called for the removal of South Africa from all international organizations.

Later in 1962, the UN Security Council passed its Resolution 1761 in response to “[discrimination of basic human rights] in South Africa [that] seriously endangered international peace and security”, which put demands on the South African government to end discrimination and violations of human rights, as well as to start moving towards a democratic transformation. As a result, a list of measures were put into place by the majority of the member states of the UN, such as breaking off diplomatic relations, closing all ports to vessels flying the South African flag, boycotting all South African goods, suspending the supply of oil and restricting the use of airports for all aircrafts that belonged to the government of South Africa. Moreover, in September 1963, The United Nations Special Committee on Apartheid proposed that the Security Council take more decisive measures against South Africa in order to force the target to compel with the demands of the international community. Among the recommendations that were proposed by the UN Special Committee was the reconsideration of South Africa’s membership in the United Nations (Report of the Special Committee ... 1963).

Along with the number of restrictions implemented by the UN, the U.S. approved the Comprehensive Anti-Apartheid Act (1986), which included a ban on importation of certain goods from South Africa, such as coal, uranium, textiles, steel, iron and agricultural products. In addition

²² This conflict is also known as an aggression of South Africa in Namibia, that took place from 26 August 1966 to 21 March 1990. It was a fight against illegal occupation of the Namibian territory. - See United Nations. (2003). Historical Review of Developments Relating to Aggression, Volume 673. New York:United Nations Publication.

to that, the Act prohibited the export of technical goods and energy-producing resources to South Africa.

However, some politicians were not in favor of the sanctions. For example, Ronald Reagan (1986) vetoed the Comprehensive Anti-Apartheid Act and stated in a speech that:

I deeply regret ... the Comprehensive Anti-Apartheid Act of 1986 [was adopted]. Punitive sanctions, I believe, are not the best course of action; they hurt the very people they are intended to help. My hope is that these punitive sanctions do not lead to more violence and more repression The United States must also move forward with positive measures to encourage peaceful change and advance the cause of democracy in South Africa.

Indeed, based on the report conducted by the HRC, around 15,000 people were negatively affected by apartheid and, in addition to that, about 7,000 people died during the period from 1948 to 1989²³ (HRC, 1997).

It took almost 30 years for the international community to solve the South African question. However, it could be argued that international pressure and the fear of being isolated from the international community produced a desirable outcome and prepared South Africa for democratic transition. The release of Nelson Mandela in 1990 symbolized the fall of the last pillar of apartheid, and represented a trigger for the lifting of economic sanctions by the international community.

3.6. The degree of political stability during the sanction period

In order to evaluate the “cost” of sanctions for the target-state, three aspects will be analysed. Specifically government, economy and society, and the state’s interconnections with the

²³ However, interesting enough that the apartheid regime led to a significant increase in the proportion of black population, for example from 3.5 million blacks in 1904 to almost 27 million blacks in 1990 (*Table 3*). Krugman, P.(2013).The longer walk to equality. -*The Economist*. Accessible: <http://www.economist.com/blogs/graphicdetail/2013/12/daily-chart-6> (2.11.2017)

international communities and their interstate relations. Based on this analysis, the impact of sanctions on the South African democratic transition will be estimated.

Positions of power usually rest on material resources, which are assets that can be weakened by restrictive measures. A decrease in the material capability of a state and a lack of access to technological resources could undermine its economic strength, eliminate its ability to sustain a strong military force, and, as a result, threaten the position of the ruling regime.

International sanctions proved to be capable of influencing the strategic capability of South Africa. One of the most valuable strategic resources on which the ruling regime in South Africa relied was its military strength. Thus, the arms embargo that was implemented by the international community was very painful for the state. In particular, long-term restrictions on arms reduced the military capacity of the state and reduced its war-making ability with neighbors, as well as undermined South African strength on the regional level. However, in the short-term perspective, the measures that were taken by the international community initially had counterproductive effects. In fact, they reinforced South African aggression and increased its spending on its military force (which was composed of about 4% of GDP in the late of 1970s) (Batchelor *et al.* 2002), rather than contribute to solving the problems inside the country.

The other important aspect that undermined the position of the South African government was diplomatic isolation and the suspension of state's membership in multilateral institutions (among these were the International Atomic Energy Agency, the World Bank and The International Monetary Fund). In other words, diplomatic pressure and exclusion from different organizations eliminated the possibility to extend state's influence abroad, as well as limited negotiation opportunities. However, the diplomatic isolation achieved created contradictory results. On the one hand, these measures were not strong enough to force the government of South Africa to change their political views because they were able to form bilateral and non-formal ties with different states. On the other hand, the psychological isolation from the rest of the world that was produced in minds of its citizens weakened the apartheid system and triggered the process of withdrawing the

legitimate status of the ruling regime. Thus, these diplomatic measures were one among many that created grounds for the anti-apartheid reforms.

Economic isolation strongly stimulated local initiative for implementation of domestic reforms. The vulnerability of South Africa to economic measures could be explained by its high dependence on foreign investments and technological imports, at a time when it also relied on high gold prices (the proportion of gold exports was over 50% of GDP) (Export Price Index ... 2017). However, a significant drop in gold prices in 1984²⁴ increased import prices, caused a double-digit inflation and resulted in an outflow of investments. Thus, the government was forced to take short-term loans in order to cope with the economic recession. After a declaration of a state of emergency in 1985, the business confidence of foreign investors was undermined, and thus they decided to move their capital out of South Africa. Apparently, the outflow of investments (see *Figure 1*) along with a decrease in the price of gold caused the debt to rise from \$16.9 billion in 1980 to \$24.3 billion by 1984 (equivalent to 46% of GDP) (Jochnick, Preston, 2006). Thus, external economic influences, as well as the country's growing financial debt created inevitable conditions for the government to accept some of the international demands.

Moreover, cutting access to the oil supply put an additional pressure on the South African government. Undoubtedly, the oil was a weak spot in the economy of South Africa. The amount of oil consumption in 1980 was 300,000 bbl/day (see *Figure 2*), and this made the government vulnerable to the demands of the international community. The rising level of oil consumption pushed the government to look for a substitute energy resource²⁵, as well as purchase oil at extremely high prices. However, there is no evidence that the resulting lack of fuel caused a limitation in military or police operations. Undoubtedly though, the oil embargo made an impact on

²⁴ Prices for gold fell from a peak \$800 in the late 1970s to an almost \$300 by 1984. -See Federal Reserve Bank of St. Louis. (2001). Gold Fixing Price. Accessible: <https://fred.stlouisfed.org/graph/?id=GOLDAMGBD228NLBM#> (3.11.2017)

²⁵ Coal-to-oil development program in Sasol that was able to produce roughly 112,000 bbl/day of oil. However, this amount was not enough for energy self-sufficiency, because it was less than 40% of country's annual consumption. - Anastai, J.(1980). *SASOL: South Africa's Oil From Coal Story*. 1st ed. Washington, D.C.: U.S. Environmental Protection Agency.

economic growth, which, as a result, created more inequality and increased domestic political pressure. Thus, it could be argued that the oil embargo imposed an additional cost on the government, thereby making it difficult to maintain the apartheid regime.

According to “naive theory”, the pressure exerted by the international community can shift the balance of a ruling regime inside the state. In particular, the state’s authority in a position of power depends mainly on national support. However, economic hardship caused by restrictive measures may stimulate popular discontent and, as a result, may lead to revolt. Thus, it could be argued that sanctions may be one of the measures that encourage people to become involved with social movements and cause internal pressure on the government. For example, the exclusion of South Africa from Olympic Games caused psychological hurt for the white elite and weakened their support of the regime.

Despite this fact, the South African economy did not descend into a deep economic recession. Still the price that the apartheid regime paid was very high. The amount of human lives that were disrupted, as well as the number of people who were imprisoned during the apartheid era is enormous. From an economic perspective, South Africa faced several challenges, such as the loss of access to foreign capital markets, disinvestment from foreign companies, an increase in the unemployment rate and an overall decrease in quality of life. However, the pressure that was imposed by the international community did not result in the South African regime crossing the line of no return, “where it becomes too dangerous to do anything because political frustration will have become pent-up and be constantly erupting” (Relly 1988).

3.7. Why did sanctions work?

The experience of South Africa proves that restrictive measures can be an important tool of statecraft that can be used to establish internal policy changes. However, political transformation is usually a long-term process and in case of South Africa it took almost 45 years. Regarding this timing, it should be taken into account that the measures that were implemented were not able to

produce instantaneous results. Thus, it is necessary to wait some time before getting a reaction from a target-state. However, despite the lengthy duration of the South African sanctions, they are still considered to have been a successful effort on the part of the international community that was able to deliver positive political changes in a target-state. Based on the research that was presented above, it could be argued that the success of the South African sanctions could be attributed to a combination of several factors. First of all, the deep involvement of South Africa in the global economy and its high dependence on exports made it a vulnerable target for the international community. Moreover, the presence of foreign investments and tight trade connections were essential factors for the maintenance of the stability of the ruling regime.

The second factor behind the success of the sanctions was the existence of strong cultural and social ties between white South-African society and Western business representatives that reinforced the shift towards democratic transition, and thus significantly impacted the results of the economic sanctions. In other words, strong internal pressure strengthened the anti-apartheid resistance, and thus shaped the outcome of the restrictive measures and undermined the core of apartheid. Finally, the success of the sanctions was also determined by the target nation's level of international engagement. The resulting diplomatic isolation created strong leverage that could be used to suppress the apartheid regime due to the fact that the South African regime was highly dependent on international participation and very vulnerable to international action. However, despite all the factors that were mentioned previously, it could be argued that the economic crisis in the late 1970s weakened the economy of South Africa and made it more vulnerable to external pressure, thereby increasing the resulting cost of the imposed sanctions on the target state.

To conclude, the effectiveness of the sanctions was determined by the unity of the international community, as well as the willingness of the target society to make changes. Initially, those changes were not imposed by the external actors. Instead, this pressure towards change mainly originated in South African society itself, and was only supported by the other states afterwards. Thus, it could be argued that, in order to achieve a successful outcome, the above-mentioned factors should be predominant in the target-state.

4. THE FAILURE OF SANCTIONS: THE CASE OF NORTH KOREA

The optimism expressed regarding the effectiveness of the sanctions in South Africa has stimulated the implementation of similar courses of action against other state's misdeeds, including Burma (Myanmar)²⁶, Haiti²⁷, North Korea²⁸ and others. However, the attempts that were undertaken by the international community in other countries were followed by dramatic frustration and failure. Indeed, in regards to the sender state's intention for a fundamental change in domestic institutions, sanctions have proven to be unsuccessful in most cases²⁹ using this approach. For example, the multiple sanctions imposed on North Korea by the U.S. in response to its development of nuclear and missile programs did not reduce the the ambitions of the Pyongyang government to continue frequent rocket tests. Thus, the punitive measures that have been introduced on a regular bases by the international community have failed to produce any results. In particular, these measures did not prevent the North Korean government from nuclear proliferation activities.

Some proponents of sanctions, among them Hufbauer, argue that economic hardship may produce a desirable outcome. However, as was stated by R. Nixon in 1982 in *The New York Times*, “[The] economic leverage ... as the punitive use of economic sanctions, with highly publicized conditions set for their removal ... is usually ineffective, and sometimes counterproductive”. Indeed, the case of

²⁶ In 1988, the violent suppression of pro-democracy demonstrations called the international to response and took a decisive actions against the Myanmar government misdeeds. - See Roberts, C. (2010). *ASEAN's Myanmar Crisis: Challenges to the Pursuit of a Security Community*. 1st ed. Singapore: Institute of Southeast Asian Studies.

²⁷ The economic sanctions were imposed as an attempt in order to establish the democratic order and to punish the violation of human rights, after the military coup in 1991. - See Farrall, J. (2007). *United Nations Sanctions and the Rule of Law*. 1st ed. New York: Cambridge University Press.

²⁸ The sanctions against North Korean regime have been imposed by the different reasons, among them violation of international norms and human rights. However, the recent sanction, that took place since 2006, are mainly aimed at restricting the North Korea's nuclear weapons program. - See Haggard, S., Noland, M. (2017). *Hard Target: Sanctions, Inducements, and the Case of North Korea*. 1st ed. California: Stanford University Press.

²⁹ According to the research conducted by Hufbauer, Schott, Elliott, Oegg, among the 204 cases observed, 134 episodes proved failure in achieving sender policy goals - See Hufbauer, Schott, Elliott, Oegg. (2007). *Economic Sanctions Reconsidered*. 3rd ed, Washington, DC: Peterson Institute.

Somalia confirmed this statement a few decades later by showing that sometimes economic pain can produce opposite results. In particular, restrictions on money transfers (the main source of income) in Somalia caused highly destructive results, such as increased internal support of the terror group al-Shabaab (Biersteker *et al.* 2016).

Thus, it could be stated that punitive measures do not work in the same way for different cases. However, very similar patterns in the target's behaviour or the regime structure have been observed in all cases in which sanctions failed to produce positive results. Therefore, through analysis of the North Korean example, the features of the state that may impact the overall level of failure will be identified.

4.1. The degree of political stability prior to the sanction period

The Democratic People's Republic of Korea, also referred as North Korea, is considered to be one of the most closed and anachronistic regimes in the world. The nature of the North Korean regime is essentially based on the refusal of all international norms and regulations on which the world system is built. Moreover, the ambitions of North Korea to develop nuclear and missile programs undermine the international standards of stability and, as a result, pose a growing threat to the global community. However, the antagonistic nature of North Korea towards other states has developed gradually over a long period of time and was shaped by different events that happened in North Korean history. In particular, the tension between the two states for domination of the Korean Peninsula and Washington's support of Seoul (Mutual Defense Treaty ... 1953) broke the bridge of confidence between the two Koreas, making Pyongyang more aggressive towards South Korea³⁰, while also making it impossible to conduct further negotiations with the West.³¹

³⁰ The destruction of a South Korean airliner with 115 people aboard by North Korean agents, in 1988.- See Associated Press. (1988).115 Died in Nov. 29 Crash: N. Korea Agent Confesses, Says She Put Bomb on Jet. Accessible: http://articles.latimes.com/1988-01-15/news/mn-24248_1_north-korea (7.11.2017)

³¹ In 2002, the U.S. President G.W. Bush called North Korea the "Axis of Evil". See Bush, G. (2002). President broadens war on terrorism. - *The Guardian*. Accessible: <https://www.theguardian.com/world/2002/jan/31/usa.julianborger> (7.11.2017)

Another event that triggered antipathy and distrust towards the allies was the collapse of the Soviet Union in 1991. As a result of the strong economic dependence that North Korea had on Moscow, the former country experienced a great economic crash and mass famine. According to the data from the World Peace Foundation, approximately 240,000-600,000 people died (Famine Trends Dataset ... 2011). However, despite the fact that the crisis brought changes in foreign economic relations and involved massive international aid, the leading states and international organizations, such as the the U.S., South Korea and the U.N., tried to politicize the situation and use it to their advantage in order to exert pressure on the North Korean government. For example, the United States withheld approval of supplying grain to the country until the North Korean government abandoned its nuclear weapons program (Weisman 2003). However, the North Korean leaders responded to this pressure from the international community by turning the resulting nation pain into a material and ideological mobilization against the West.

In addition to this, North Korea was significantly bothered by attempts on the part of various states to constantly insult and negatively label the drastic tyrannous regime. For example, during the presidency of George W. Bush, Secretary of State Condoleezza Rice (2005) supported the hostile rhetoric of the Bush administration and identified North Korea as one of the world's "outposts of tyranny ... where the US must help to bring freedom". The labelling of the North Korean regime has turned the state more towards self-isolation. In particular, the North Korean deputy ambassador to the United Nations stated: "Resuming the six-party talks would be possible if there is restraint on the part of the U.S. from using the words 'outpost of tyranny'" (Ryol 2005). Thus, the antagonistic position towards North Korea from the international actors actually led to a worsening of the relationship and the closing of possibilities for peaceful negotiations. The Obama administration did in fact try to avoid direct attacks on the regime and find a strategic solution starting in 2009. However, as of 2017, the new President of the US has decided to return to the approach of Obama's predecessors, thereby further escalating the existing conflict.

As a result, the North Korean government viewed attempts by the international community to bring stability and peace to the region as a severe threat to its sovereignty rights. Thus, the position of the

international states has reinforced the crisis and made the solution of consolidating international unity seem less probable.

4.2. Regime type

It could be argued that the cost of coercion in North Korea, whose autarky economy is built on an ideology of self-reliance, is not sufficient and that this hermit regime is not vulnerable to external pressures. Furthermore, growing pessimism is observed among state authorities and political analysts, who have doubts that diplomacy will lead to desirable results. Indeed, as was stated by foreign policy analyst Katzeff Silberstein (2017)³², “the impact of sanctions will probably never be as strong as policymakers would hope”.

The monolithic leadership position of Kim Jong Un relies on a spirit of national unity against a common enemy. Thus, bringing North Korea into the exclusive club of “superpowers” who have obtained nuclear weapons was a strategically important step towards maintaining the regime’s existence. Therefore, all concessions have been short-term without any far-reaching outcomes. Moreover, the ambitions of the North Korean leader, as well as his internal support and the loyalty of the North Korean citizenry make this regime less vulnerable to sanctions by the international community. The stakes of the regime’s survival are too high, and thus it is highly unlikely that the regime will fall under the pressure of sanctions.

4.3. Economic vulnerability and resilience

However, despite the claim of self-reliance, North Korea still remains largely dependent on foreign trade. The dependence was especially noticeable at the beginning of the 1990s when the loss of economic aid from the Soviet Union was a factor in the widespread famine. Thus, according to

³² Benjamin Katzeff Silberstein is an Associate Scholar at the Foreign Policy Research Institute, and co-editor of North Korean Economy Watch, and has been a special advisor to the Swedish Minister for International Development Cooperation. Accessible: <https://www.fpri.org/contributor/benjamin-katzeff-silberstein/> (14.11.2017)

Stephan Haggard (2017), an expert on current developments in the Asia-Pacific region, the acceleration of the number of missile tests is a signal of weakness rather than strength, and it may lead to the conclusion that the sanctions are actually working (Haggard, 2017). Indeed, since the escalation of the nuclear confrontation in 2002, North Korean trade ties with the rest of the world have dropped to almost zero. In its place, the trade vacuum has been filled by China (see *Figure 3*) and now North Korea essentially depends on China's support, with Chinese imports constituting almost 90% of all trade (see *Table 4*). Therefore, North Korea's dependence on only one state actor makes it vulnerable to China's decisions and behaviour. As a result, the recent adoption of new measures (such as embargos on textile exports and oil) combined with earlier sanctions, will dramatically shrink the North Korean economy. As calculated by an economist from the Financial Times (2017), "[The new package of sanctions] will affect more than 90 per cent of the country's exports and deprive Mr Kim's regime of \$1.3bn in annual earnings."

4.4. The legitimacy of the target nation

The decision by the international community to implement restrictive measures against Kim Jong Un's inner circle and the military could be seen as a wise step towards destabilization of the regime. Despite the fact that those sanctions have targeted almost every aspect of the life of the North Korean elite, they still have not produced any results and an internal revolt of the elite is less likely to be possible. As was noticed by Susan Rice (2017), the former U.S. Ambassador to the United Nations, "[the prosperity of the elite] was large[ly] ... [built on] impoverishing [the North Korean] people". Indeed, the promotion of the idea that the elite and military come first in times of shortage is a basic principle of political and economic life in North Korea. In 2016, the official newspaper of the ruling Workers' Party of Korea began to prepare citizens for a new wave of economic difficulties by announcing that "[w]e may have to go on an arduous march, a time when we will again have to eat the roots of grass" (Borowiec 2016). Thus, undoubtedly, the confrontation between Kim Jong Un and the U.S. occurs at the expense of the lives of the North Korean people. According to information from the United Nations Food and Agriculture Organisation, almost 84% of households had poor food consumption in 2013 (Harvests in DPR Korea ... 2013) and about 70% of

the population are food insecure (The Democratic People's ... 2015). Thus, sanctions affect ordinary people rather than the elite and military groups. Moreover, the ruling regime appears willing to sacrifice ordinary people's lives for "greater goals" and the suffering population seems less able to build a strong opposition in order to fight against the regime.

Undoubtedly, the sanctions that were imposed by the international community have mostly caused harm to the general population of North Korea and have had no impact on the regime. Moreover, in spite of the number of sanctions that were implemented, the ruling regime has demonstrated its ability to stay in power and maintain control over the people of the country. However, it could be argued that the new package of tough measures may cause a lot of discomfort for the ruling authority and undermine the position of the regime. While it is certain that sanctions alone cannot solve the North Korean problem, they can still significantly contribute towards accomplishing the desired objective and bringing stability to the region.

4.5. Deployment of sanctions

Since the end of Cold War, the global community has tried to impose political pressure on North Korea in response to its numerous violations of international laws and interest in developing its nuclear program. However, the regime of the hermit nation has shown its ability to confront the international demands and maintain control over its country.

Among the many sanction-triggering events, the development of a nuclear weapons³³ program by the North Korean government has caused the biggest concern for most heads of state. Despite the fact that North Korea became a member of the IAEA (International Atomic Energy Agency) in 1974 (Fact Sheet on DPRK ... 2002) and the Nonproliferation of Nuclear Weapons (NPT)(1985) (*Ibid.*) treaty, the state was still found to be in non-compliance with the Safeguards Agreement during the special inspection procedure. Specifically, North Korea's disregard of the prohibition on nuclear

³³ According to the R. Stone the development of nuclear program was started in the late of 1950s with a great help from the Soviet Union, in particular, the latter helped to build the reactor and developed the nuclear-research center. - See Stone, R. (2004). 'North Korea's Nuclear Shell Game' - *Science, New Series*, 303, pp. 452-454.

tests and denuclearization confirmed the perception that North Korea was an unreliable partner that should be controlled by the international community. However, in response to North Korea's decision to withdraw³⁴ from the NPT(1993) and to violate its nonproliferation obligations, the UN Security Council adopted a resolution that called on the North Korean authority to "reaffirm its commitment to the Treaty" (Resolution 825 1993). However, the failure of the resolution to provide a framework for punishment in the case of non-compliance made it possible for North Korea to conduct further missile and nuclear tests, as well as launch its first mid-range ballistic missile into the Sea of Japan in 1993 (Sanger, 1993). Speaking in support of the inaction by the international community, one senior intelligence official stated that "the international community has not so much leverage over North Korea, [because it is impossible to] ... isolate one of the world's most isolated nations"(Ibid.).

However, in 1994, the growing necessity of electricity forced North Korea to accept the "Agreed Framework" treaty with the United States³⁵. This agreement asked for nuclear concessions from North Korea, such as freezing its nuclear weapons program and "suspending" its withdrawal from the NPT in exchange for heavy oil supplies from the United States for the production of electricity. It could be argued that this framework is a triumph of diplomacy for both states towards the establishment of relations with the hermit state. However, the North Korean government still continued to develop its missile technology and even launched a rocket over Japan in 1998. In response, most states expressed "concern"³⁶ over the situation and the United States once again imposed trade sanctions, which had a more symbolic meaning rather than being an actual threat to the North Korean regime. In 2002, harsh statements by the Bush administration³⁷ in addition to the

³⁴ North Korea was the first member state that declared its withdrawal from the from the NPT treaty. Its problem-free leaving of the treaty questioned the credibility of NPT and IAEA. *Ibid*, 2002.

³⁵ In 1993 the United States unilaterally imposed trade sanctions and embargoes, but they had no significant effect, because of the preexistence of trade embargo with North Korea. - See Clinton, B. (1993). 'Clinton's Warning Irks North Korea' - *The New York Times*, July 13, 1993. Accessible: <http://www.nytimes.com/1993/07/13/world/clinton-s-warning-irks-north-korea.html> (10.11.2017)

³⁶ As was stated by Madeleine Albright, the United States secretary of state, that "[The United States] are concerned about it, as are the Japanese and the Russians"- Albright, M. (1998). North Korea fires missile over Japan - *The Guardian*, September 1, 1998. Accessible: <https://www.theguardian.com/world/1998/sep/01/northkorea> (10.11.2017)

³⁷ G.W.Bush criticized the North Korean regime by saying that "[the North Korean] ... regime arming with missiles and weapons of mass destruction while starving its citizens"- See Bush, G.,W. (2002). North Korea 'selling missiles' - *The Guardian*, February 1, 2002. Accessible: <https://www.theguardian.com/world/2002/feb/02/northkorea.armstrade> (10.11.2017)

discovery of North Korean authorities concealing their uranium enrichment program (Kelly 2004), caused a loss of trust, and the deterioration of the relationship between two countries turned into open hostility.

The passiveness of the international community and the obsession of the United States with “symbolic” measures of punishment allowed North Korea to develop its first nuclear weapon in 2005, and in July 2006 it launched seven ballistic missiles, including a long-range missile. The missile test was described by U.S. National Security Adviser Stephen Hadley (2006) as a “provocative behaviour ... [that] violates a standing moratorium on missile tests to which the North [Korean government] had previously committed”. The international community responded with the imposition of restrictive measures, and specifically urged all UN member states to ban selling missile-related items to North Korea and adopt Resolution 1695 (2006).

Nevertheless, even the implementation of additional measures, such as Resolution 1874 (2009), which imposed restrictions on financial transactions, technical training, advice, services and assistance; and Resolution 2087 (2013), which targeted sanctions against individuals and entities, such as travel bans and the freezing of assets; didn't succeed in persuading North Korea to give up its nuclear ambitions. The recent nuclear and missile tests that were conducted in 2017 and the over-the-top nuclear threats by the hermit nation (see *Table 5*) have forced international actors to implement drastic measures against the North Korean regime.

In particular, the UN Security Council decided to hit the most vulnerable sector of North Korea's economy and reduce the exports of fuel to North Korea³⁸ from other countries by approximately 30%. These measures were proposed by the Trump administration and initially demanded a complete embargo of oil. However, such harsh measures were criticised by two close trade partners, Russia³⁹ and China. Specifically, Russian President Vladimir V. Putin (2017) stated “that such ...

³⁸ United Nations Security Council. (2017). Security Council Imposes Fresh Sanctions on Democratic People's Republic of Korea, Including Bans on Natural Gas Sales, Work Authorization for Its Nationals, September 11, 2017. Accessible: <https://www.un.org/press/en/2017/sc12983.doc.htm> (12.11.2017)

³⁹ According to data from KOTRA (Korea Trade Investment Promotion Agency) Russia and China are two major trading partners of North Korea. The real share of North Korea-China trade is approximately 92% and North Korea-Russia is 1,9% respectively (see *Table 4*). See Boydson, K. (2017). North Korea's Trade and the KOTRA

sanctions would be counterproductive and possibly destabilizing.” However, recent events, such as the North Korean tests of ballistic missiles capable of reaching the US mainland, have proved that implementation of soft and decelerated measures could destabilize the world.

It could be argued that the lack of countermeasures and unanimity amongst the international community have made it impossible to impose proper pressure on the North Korean regime. During its decades under international condemnation, North Korea has been able to develop a small nuclear arsenal that now is an outright challenge to the international actors. The case of North Korea reveals the limits of the IAEA’s and NPT’s activities, as well as the weaknesses of restrictive measures against isolated states.

4.6. The degree of political stability during the sanction period

The nature of the North Korean regime makes it less vulnerable to economic measures. Thus the desired outcomes are unlikely to be achieved. Indeed, from the perspective of the North Korean leader, compliance with international demands may damage his leadership position and may diminish faith in the strength of North Korea. Thus, Kim Jong Un has little incentive to respond to pressure from the international community. Moreover, the total control that has been implemented in the name of security has tended to restrict undesirable ideological trends. Thus, creation of opposition groups or internal support for policy changes seemed unlikely. Furthermore, the widespread use of propaganda is at the core of the sustainability of the regime and its resistance to sanctions. As *The New York Times* journalist Isaak Stone Fish (2011) noted, North Korea is an isolated community with an “information black hole” that helps the regime to stay afloat. Thus, as was stated by Hufbauer (2017) “it’s really hard to get autocratic governments to change with the use of sanctions ... there is no autocracy which is more autocratic today than Kim Jong Un’s dynasty in North Korea”.

Report- Peterson Institute for International Economics. Accessible:
<https://piie.com/blogs/north-korea-witness-transformation/north-koreas-trade-and-kotra-report> (13.11.2017)

4.7. Why did sanctions not work?

The course of action that was chosen by policymakers to compel North Korea to give up its nuclear program has failed to achieve its strategic goal. The lack of effectiveness of the sanctions could be explained by the attempts by the United States and its allies to implement the same strategic measures over and over again. Indeed, the method of punishment that worked in one case will not necessarily work for another. Moreover, some aspects of North Korea have made the coercive process for the international community more difficult.

Indeed, the most proactive international actor that has unilaterally implemented more than ten executive orders and regulations since 2008 (North Korea Sanctions Program 2016) has basically had no economic ties with North Korea since 1950. Thus, the United States has virtually no significant economic leverage that could be applied on the North Korean regime and produce results. However, the attempts of the United States and its international allies to call for world unity against the hermit regime and to implement drastic measures is regularly thwarted by “spoiler” nations Russia and China. In, particular, Putin (2017) stated, “... do not succumb to emotions and drive North Korea into a corner ... [and added that without the diplomacy] it is impossible [to solve the North Korean crisis]”.

The high trade dependence on Russia and primarily China as one of potential leverage has been overlooked by the international community. At the same time, the key North Korean commercial allies have not shown any intent to impose their own hard measures against repressive regime. Thus, it could be argued that the reluctance towards implementing stiff measures and the lack of decisiveness in implementing sanctions, both multilateral and unilateral, tend to strengthen the resistance of the North Korean regime and, as a result, make it less likely to produce the desired outcome.

5. UNDER WHAT CONDITIONS DO SANCTIONS WORK?

The cases that have been presented show that the implementation of sanctions does not necessarily bring the same results. Therefore, prior to deployment of coercion measures, the sender state should evaluate both the vulnerabilities of the sanctioned state and its political willingness for change. Thus, it could be argued that before sanctions are implemented, it is important to analyse the factors that are relevant to the nature of the specific state and that could affect the outcome of the sanctions.

Political stability and economic strength could be decisive factors that shape the results of the restrictive measures. The observed cases concluded that a regime type with the pre-existence of a democratic foundation is more vulnerable to economic pressure than an autocratic regime. For example, in case of South Africa, there was no overwhelming state control over the proliferation of ideas and information. Thus, the vulnerability of the state to coercion was more visible. As a result, it could be argued that the pre-existence of democratic values made the target more prepared to comply with the sender's demands.

Moreover, the existence of diplomatic and economic contacts could determine the cost and length of the coercion. The sanctions against North Korea, for example, have lasted for more than 50 years, but have still not produced any results. The lack of compliance with the sanctions is explained by the low level of diplomatic relations and trade dependence between the sender states and North Korea. Therefore, a strong linkage between states, both economic and diplomatic, tend to increase the probability of a successful outcome.

The unity of the sender countries and their speed in the implementation of restrictive measures can contribute significantly to a positive outcome of the coercion. The degree of cooperation amongst the international community, specifically multilateral and unilateral efforts to implement stiff

measures, is decisive in pursuing the target-state's compliance. For example, major awareness and inclusiveness of policy makers in the South African crisis helped the anti-apartheid movement succeed and helped to create a framework for the peaceful transition towards democracy. However, in case of North Korea, the unanimity that had been achieved in the UNSC has not been promoted by the member states individually. In particular, the "spoilers", such as Russia and China, do not use their partnership advantage (see *Table 4*) against North Korea and still continue to economically support the sanctioned state. Thus, it could be argued that the cost of sanctions is sometimes not high enough to obtain the target's compliance (Hufbauer *et al.* 2007).

Moreover, the speed and decisiveness of the policy makers' response to the state's misdeeds is also crucial in terms of coercion. The case of North Korea has shown that the harsher the sanctions that were introduced, the more time it took to adopt them (see *Figure 4*). It could be one of the factors that produced the regime's stable resistance to international pressure. Thus, a speedy reaction on the part of the international community could reduce the time that the target has to adjust to new restrictions and, as a result, sanctions could achieve better results in a relatively short period of time.

Finally, the role of the target's domestic trends could shape the results of the sanctions. Specifically, sanctions that are supported by internal pressure within the target-state could be considered more effective. For example, the South African opposition movement and street protests greatly contributed to the weakening of the government's ability to resist international pressure.

The findings from the aforementioned cases suggest that a positive result for sanctions depends on both internal and external factors. These factors, such as regime type, the level of involvement in international economics, the state's level of activity in the international arena and its interaction with other external policy actors could significantly contribute to the success of sanctions. However, the interest of the international community also plays a significant role in achieving desirable policy results. Thus, consideration of both factors can increase the probability of success and make sanctions work.

SUMMARY

This paper aimed at observing the effectiveness of sanctions under different conditions and target-state factors. Moreover, several research questions were posed in order to achieve an in-depth analysis of the concept of coercion. Based on the results that were provided in the aforementioned research, it could be argued that the practice of sanctions is not a cure for the international community. In fact, in some of the cases presented, sanctions failed to demonstrate their credibility. However, economic coercion still remains an important tool of foreign policy that has allowed us to respond to international problems with minimal cost. Thus, it has proven its utility among different international actors.

It is evident that economic sanctions can influence the target-state's policies and produce some changes within the society of the sanctioned state. However, the extent to which those changes could attain the desired results is still a matter of discussion. Thus, in this paper we observed two case studies on the deployment of sanctions with differing results. The findings suggest that there is a strong correlation between the precondition of the target-state and the potential effects of the implemented measures.

This paper suggests that the positive effects of sanctions depend on internal and external factors that contribute to the achievement of the desired outcome. In particular, the scope of target state's internal and external variables should be considered prior the adoption of sanctions. Such variables include government regime type, current social movements, economic strength and vulnerability from international trade, as well as the sanctioned state's political ties with the international actors. Thus, as the study indicates, the mechanism that is used for asserting influence is an especially important factor for achieving political changes. As the North Korean case indicates, the strategic patience and reluctance of the international community during the first stages of the nuclear crisis

could have increased the regime's strength within its country and made it less vulnerable to economic pressure. At the same time, the unanimity and decisiveness of world leaders in the case of South Africa helped to create a transition towards democracy.

The discussion above proposes that sanction effectiveness be separated from the question of where they should be implemented. Apparently, the question of efficiency and the deployment of sanctions are the two sides of one coin. Yet, it should be clear that the answer to one question doesn't necessarily guarantee the answer to another question. Thus, the implementation of sanctions should be determined not solely from the point of view of their utility, but rather from the evaluation of the risk that political choice can bring.

However, there is still a certain level of wariness in utility of sanctions as an instrument of statecraft. The presented case studies show that economic sanctions are capable of solving old political misdeeds. However, new problems pose a challenge for the effectiveness of sanctions. As the foregoing discussion demonstrates, by analyzing the current failures, we have an opportunity to build a framework for a more successful resolution of crises in the future.

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APPENDICES

Table 1. Success by policy goal, 1950-2000

Policy goal	Success cases	Failure cases	Total	Success ratio (percent of total)
Modest policy changes	22	21	43	51
Regime change and democratization	25	55	80	31
Disruption of military adventures	4	15	19	21
Military impairment	9	20	29	31
Other major policy changes	10	23	33	30
All cases	70	134	204	34

Sources: Hufbauer, Schott and, Elliott (2007, 159).

Notes:

1. Nevertheless, the rate of success is relatively small, still, authors believe that the assertion “sanctions never work” is clearly wrong.

Table 2. Key sanctions events (South Africa), 1963-1989

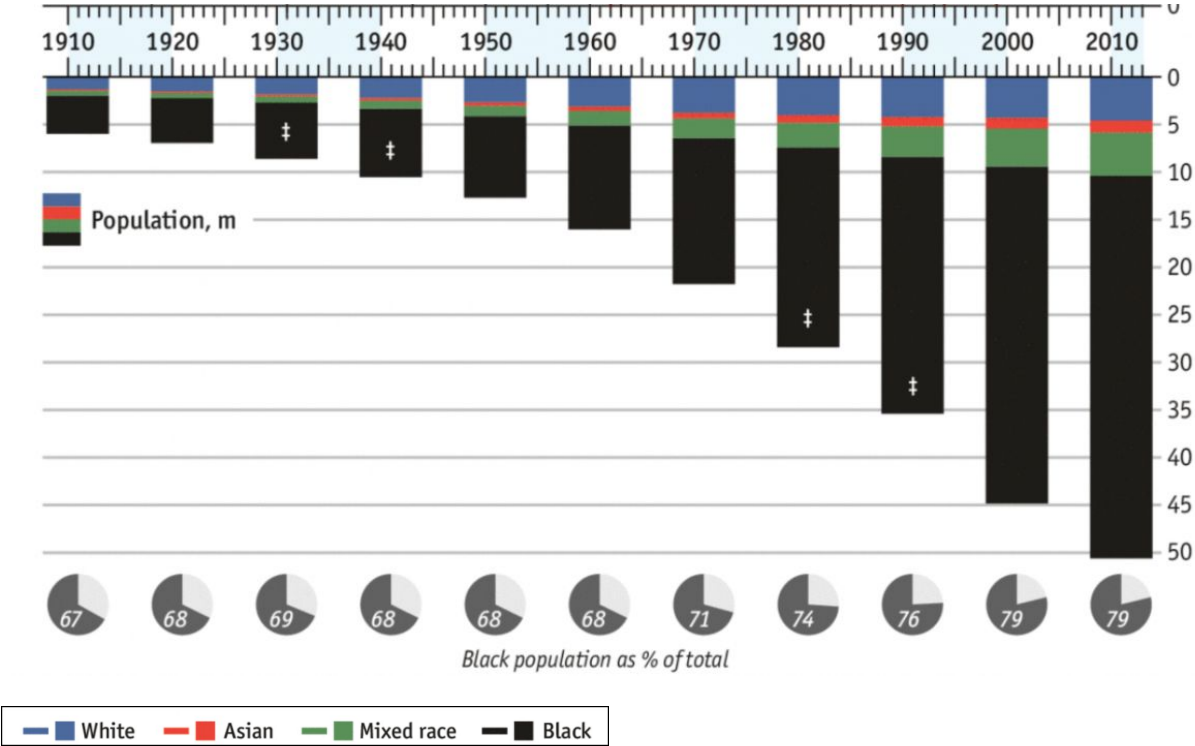
Date	Measure
August 1963	UNSC imposes voluntary arms embargo.
November 1963	UN General Assembly urges all states to stop supplying petroleum to South Africa. The OAU and the Organization of Arab Petroleum Exporting Countries impose oil embargoes in 1964 and 1973. Iran defies the ban until 1979, when Norway and Britain also join the embargo.
November 1977	UNSC imposes a mandatory arms embargo.
March 1983	The IMF is effectively barred from lending to South Africa by a US Congressional amendment.
June 1985	Following unilateral measures by non-aligned and European states, UNSC calls on all states to adopt voluntary embargoes on new investment, transport links, gold coin sales, and sporting and cultural relations. Many states impose some sanctions.
September 1985	EEC strengthens military and oil embargoes and pledges to assist anti-apartheid groups.
October 1985	British Commonwealth, minus Britain, adopts wide-ranging trade, investment, and tourism embargoes.
September 1986	EEC bans imports of South African coal, steel, and gold coins, and bans new investments. Japan bans imports of South African iron and steel.
October 1986	US bans new investments in South Africa; bars imports of South African uranium, coal, textiles, agricultural products, iron, steel, sugar, and parastatals' products; suspends air links.
October– November 1986 1987–9	Grass-roots disinvestment campaign climaxes. Major firms like IBM, General Motors, and Barclays withdraw from South Africa. Several European states adopt unilateral comprehensive sanctions. Pressure on the US and British governments to follow suit is resisted.

Sources: Jones L. (2015, 66).

Notes:

1. As was stated in research conducted by J. Galtung (1967, 380), the “naive theory” proposed that implementation of the restrictive measures creates conditions that may cause the social unrest. However, the example of South Africa showed that the social movement and protests moved the imposition of sanctions, but not the other way round.

Table 3. South African population growth, 1910-2010



Sources: Krugman P. (2013).

Notes:

1. Based on the information from the chart, it became obvious that apartheid was not genocide. In fact, it led to a significant increase in the black population.

Table 4. North Korea's Top Trading Partners, 2016

North Korea's Top Trading Partners in 2016
 [표 II-8] 2016년도 북한의 10대 무역국 in 1,000USD
 North Korea's exports North Korea's imports Total % of total (단위: \$천, %)

순위	국가명	북한의 수출		북한의 수입		수출입 합계		비중	전년순위	
		금액	증감률%	금액	증감률%	금액	증감률%			
China	1	중국	2,634,402	6.1	3,422,035	6.1	6,056,437	6.1	92.5	1(-)
Russia	2	러시아	8,853	46.5	68,047	-13.1	76,900	-8.9	1.2	2(-)
India	3	인도	14,678	-35.3	44,316	-17.7	58,994	-22.9	0.9	3(-)
Thailand	4	태국	2,945	-57.8	46,795	8.7	49,740	-0.6	0.8	4(-)
Philippines	5	필리핀	16,150	170.5	28,821	80.2	44,971	104.7	0.7	8(↑3)
Pakistan	6	파키스탄	25,691	23.5	0	-	25,691	23.5	0.4	9(↑3)
Luxembourg	7	룩셈부르크	0	-	14,937	-	14,937	-	0.2	-
Singapore	8	싱가포르	127	-90.5	12,865	-54.8	12,992	-56.4	0.2	7(↓1)
Taiwan	9	대만	12,190	-59.2	507	422.7	12,697	-57.7	0.2	6(↓3)
Sri Lanka	10	스리랑카	8,958	52.8	3,528	160.6	12,486	73.0	0.2	15(↑5)

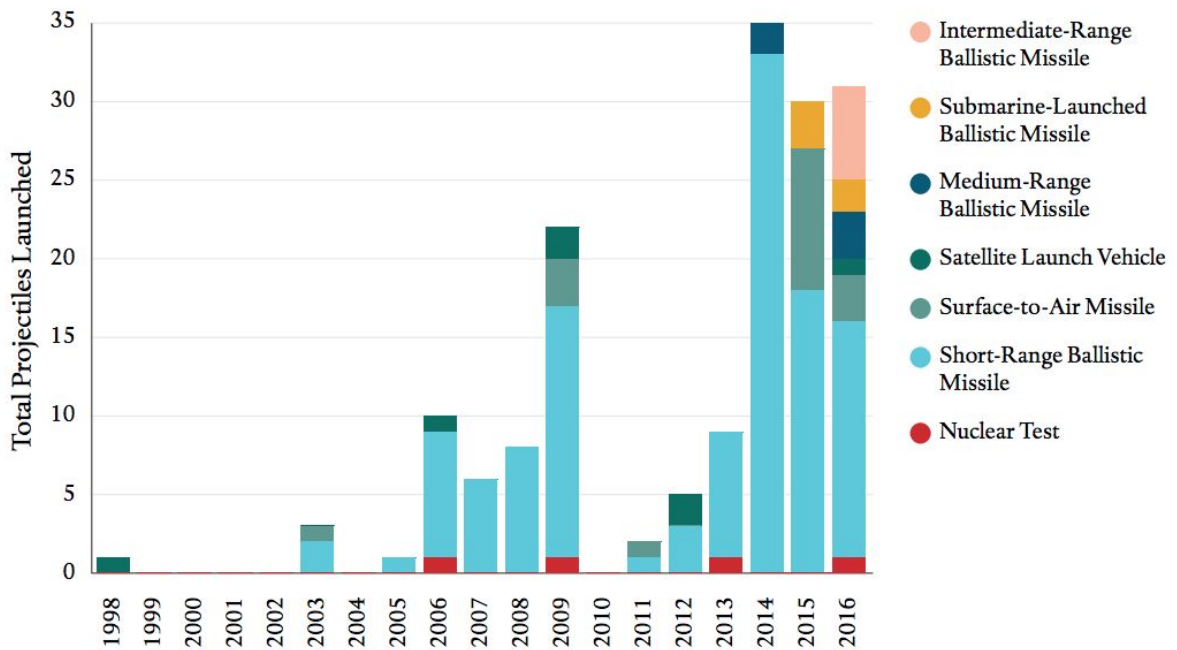
자료원 : KOTRA Source: KOTRA

Sources: KOTRA report (2016)

Notes:

1. In 2016, there was noticeable decrease in trade between North Korea-Russia, North Korea -Singapore and North Korea-India. At the same time, the proportion of North Korea - Philippines trade was increased significantly.

Table 5. North Korean Nuclear and Missile Tests (1998–2016)

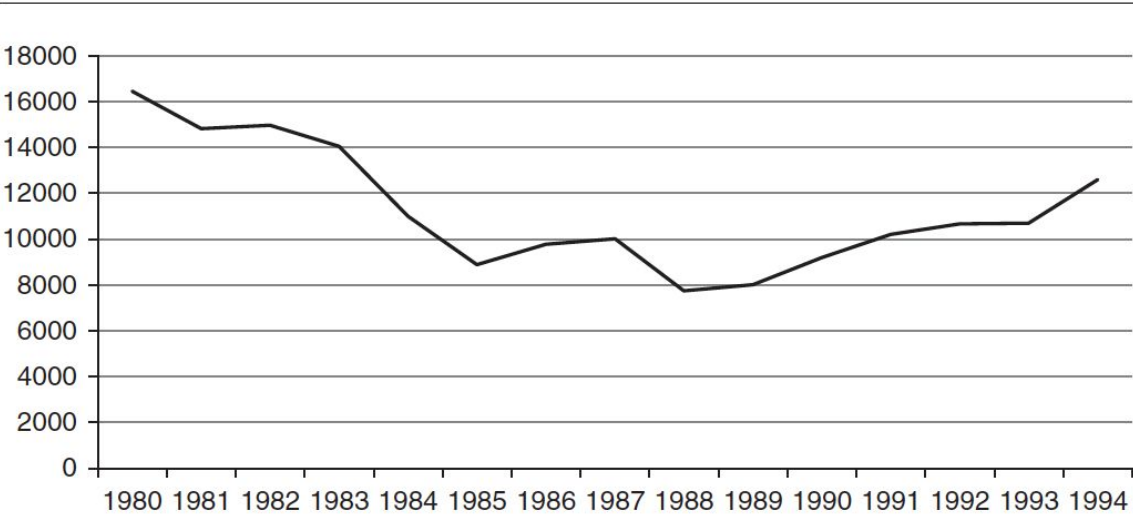


Source: Council of Foreign Relations. Independent Task Force Report No. 74 (2016, 24)

Note:

1. In 2009 North Korea decided to withdraw from the Six Party peaceful resolution concerning its nuclear weapons program and announced the desire to resume its nuclear weapon program. Also, since 2013 North Korean government decided to resume operation of reactor at Yongbyon, that caused a significant increase of further nuclear and missile tests. Moreover, in the following year North Korea begun additional uranium enrichment program (S. Korea closely watching N.K ... 2016).

Figure 1. South Africa’s foreign direct investment stock (US\$ millions, current exchange rates), 1980-1994

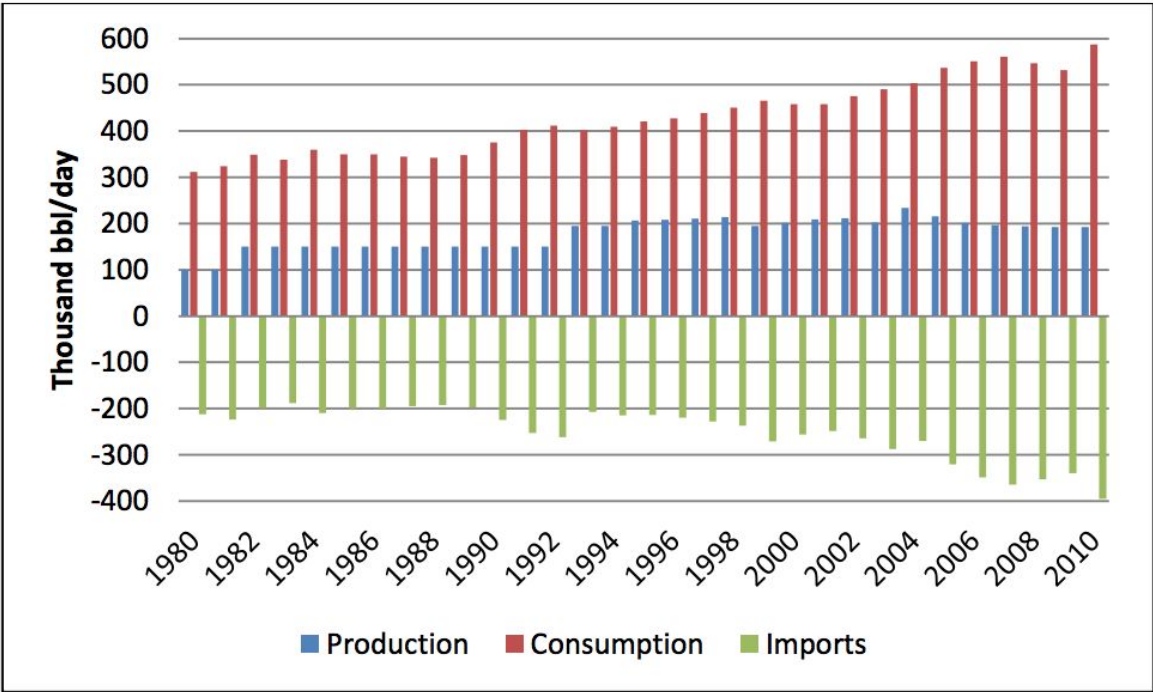


Sources: UNCTAD, World Investment Report (2012)

Notes:

1. The chart indicates that the decline in foreign investments felt on the sanctions period between 1985 and 1993.

Figure 2. South African oil production and consumption, 1980-2010

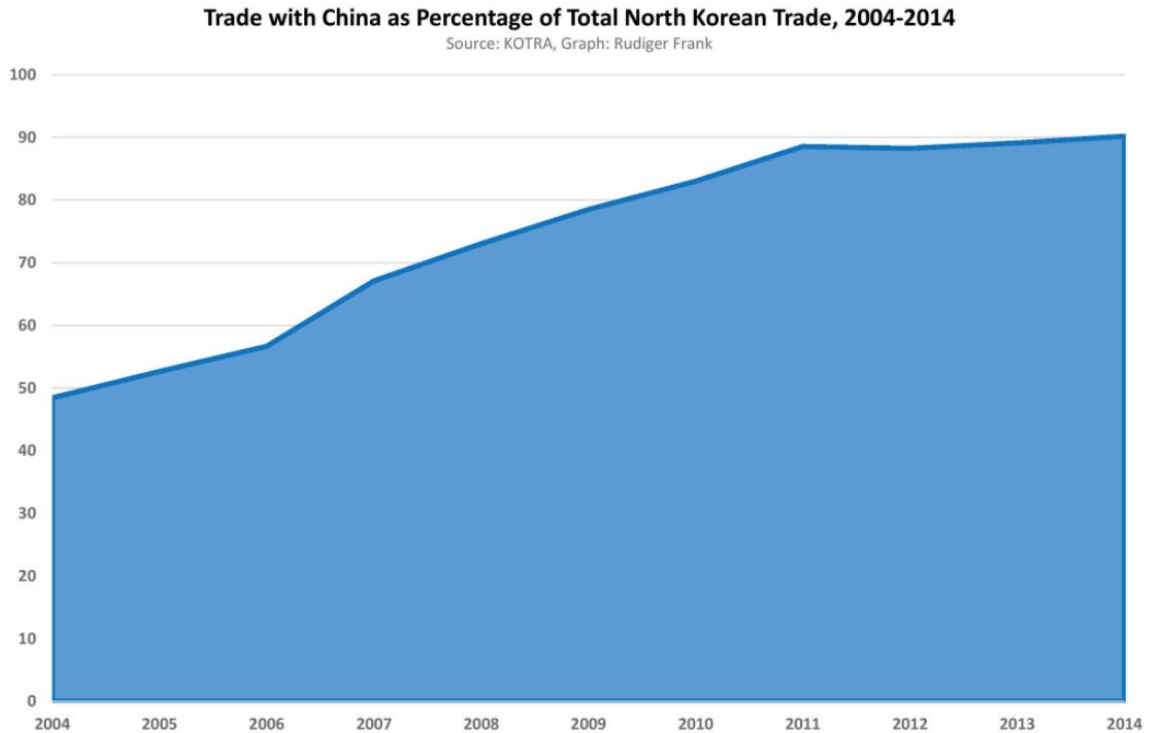


Sources: Dr. Wakeford, J. (2013, 10)

Notes:

1. The consumption of oil in South Africa is really high, it is about 300,000 barrels per day(bpd). As graph shows the expenditure of oil has been increased steadily since 1992.

Figure 3. Trade with China as Percentage of Total North Korean Trade, 2004-2014

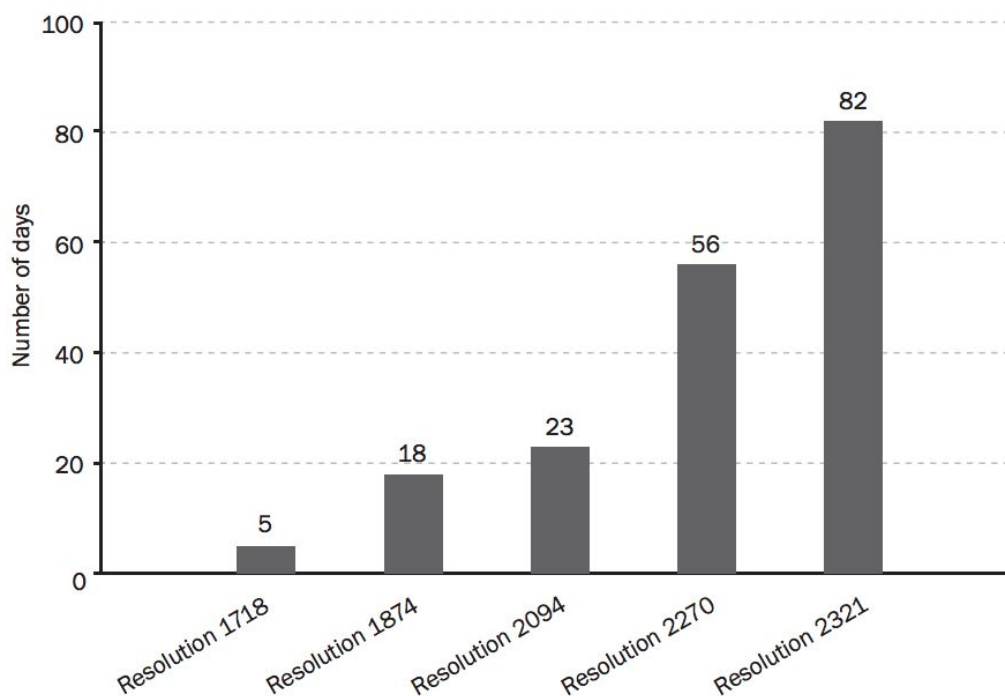


Source: KOTRA (2014)

Note:

1. Before the 2002 the trade with China was less than 50% of all trade and Japan was the first trade partner of North Korea, however this trend has changed dramatically after the new package of sanctions was introduced in 2002 and trade with Japan was fallen to zero (Ruediger 2015).

Figure 4. The Number of days between North Korean nuclear tests and adoption of resolutions by UNSC, 2006-2016



Source: Su, F., Saalman, L. (2017, 16)

Note:

1. Despite the frequency of the nuclear tests conducted by North Korea, still there is still lack of consensus in adoption of restrictive measures among the international community, that as a result increases the time for resolution implementation.