



KAUNAS UNIVERSITY OF TECHNOLOGY
FACULTY OF SOCIAL SCIENCES, ARTS AND HUMANITIES

Ajigbolamu Tosin Michael

**ANALYSIS OF ECONOMIC SANCTION EFFECTIVENESS: CASE
STUDY OF IRAN**

Master`s Degree Final Project

Supervisor

dr. Rabitz Florian Caspar

KAUNAS, 2018

KAUNAS UNIVERSITY OF TECHNOLOGY
FACULTY OF SOCIAL SCIENCES, ARTS AND HUMANITIES

**ANALYSIS OF ECONOMIC SANCTION EFFECTIVENESS: CASE
STUDY OF IRAN**

Master`s Degree Final Project
Public Policy (code 621L22008)

Supervisor

(signature) Dr. Rabitz Florian Caspar

(date)

Reviewer

(signature) assoc. prof. dr. Rasa
Daugėlienė

(date)

Project made by

(signature) Ajigbolamu Tosin Michael

(date)

KAUNAS, 2018



KAUNAS UNIVERSITY OF TECHNOLOGY

FACULTY OF SOCIAL SCIENCES ART AND HUMANITIES

(Faculty)

TOSIN AJIGBOLAMU

(Student's name, surname)

PUBLIC POLICY II

(Study programme, course)

ANALYSIS OF ECONOMIC SANCTION EFFECTIVENESS: CASE STUDY OF IRAN

DECLARATION OF ACADEMIC INTEGRITY

11

JANUARY

2018

Kaunas

I confirm that the final project of mine, **TOSIN AJIGBOLAMU**, on the subject “**ANALYSIS OF ECONOMIC SANCTION EFFECTIVENESS: CASE STUDY OF IRAN**” is written completely by myself; all the provided data and research results are correct and have been obtained honestly. None of the parts of this thesis have been plagiarized from any printed, Internet-based or otherwise recorded sources. All direct and indirect quotations from external resources are indicated in the list of references. No monetary funds (unless required by law) have been paid to anyone for any contribution to this thesis.

I fully and completely understand that any discovery of any manifestations/case/facts of dishonesty inevitably results in me incurring a penalty according to the procedure(s) effective at Kaunas University of Technology.

(name and surname filled in by hand)

(signature)

Ajigbolamu Tosin Michael. *Ekonominių sankcijų efektyvumo analizė: Irano atvejis*. Magistro baigiamasis projektas / vadovas dr. Rabitz Florian Caspar; Kauno technologijos universitetas, Socialinių, humanitarinių mokslų ir menų fakultetas.

Studijų kryptis ir sritis: 02 S

Reikšminiai žodžiai: Ekonominės sankcijos, užsienio politikos priemonė, Šiaurės Korėja, Iranas, Rusija, siuntėjas, Target, valstybės

Kaunas, 2018. 62 p.

SANTRAUKA

Per metus ekonominės sankcijos valstybės dažnai naudojamos kaip užsienio politikos priemonė. Ekonominės sankcijos yra apribojimai šaliai, siekiant pakeisti nepageidaujamą elgesį. Valstybės ir tarptautinės organizacijos taiko sankcijas, kad pakeistų valstybių, pažeidžiančių tarptautines normas, grėsmę jų interesams. Šiame darbe nagrinėjamas ekonominių sankcijų, kaip užsienio politikos priemonių, veiksmingumas. Jame aptariama, kaip efektyviomis ekonominėmis sankcijomis siekiama įgyvendinti savo tikslus, taikant Šiaurės Korėją ir Iraną kaip atvejų tyrimus.

Yra keletas argumentų dėl ekonominių sankcijų veiksmingumo. Tarptautinių santykių ekspertai, tokie kaip Shagabudinova ir Jeffery, teigia, kad didžiąją laiko dalį ekonominės sankcijos neleidžia pasiekti savo tikslų ir baigti rengti "ralio aplink vėliavą" efektą (Shagabudinova & Jeffery, 2007, p. 60). Kiti, kaip Lowenfeld, tvirtai įsitikinę, kad jei politikos formuotojai bus pakankamai pacientai, jie pamatytų, kad ekonominės sankcijos veikia (Lowenfeld, 1990). Oxenstierna ir Olsson teigia, kad egzistuoja tarptautiniai ir vidaus veiksniai, kurie padidina ar sumažina tikslinių valstybių spaudimą keisti savo politiką. Šie veiksniai yra režimo tipas, siunčiančiųjų valstybių skaičius, tarptautinis sankcijų teisėtumas, tikslinių valstybių išlaidos, sankcijų trukmė ir priklausomybė nuo prekybos ir tt (Oxenstierna & Olsson, 2015, p. 25).

Pagrindinė šio tyrimo išvada yra tai, kad ekonominės sankcijos veikia, jei jos yra strategiškai įgyvendintos ir atsižvelgiama į tam tikrus veiksnius. Siekiant taikyti ekonomines sankcijas darbui, šiuos veiksnius reikia atsižvelgti norint užpildyti spragas, todėl tikslinėms valstybėms nėra kito pasirinkimo kaip pakeisti nepageidaujamą elgesį. Siuntėjo teiginiai taip pat turi būti lankstūs nustatant ekonomines sankcijas, taikant "morkų ir lazdų" metodą, kad tikslinės valstybės norėtų laikytis. Dažniausiai ekonominės sankcijos taikomos autoritariniams režimams ir todėl, kad šie režimai yra mažiau jautrūs sankcijoms, politikai turi būti kantrūs ir strategiškai elgtis, kad ekonominės sankcijos galėtų pasiekti savo tikslus.

Ajigbolamu Tosin Michael. *Analysis of Economic Sanction Effectiveness: Case Study of Iran*. Master's thesis in Political Science / supervisor dr. Rabitz Florian Caspar. The Faculty of Social Sciences, Arts and Humanities, Kaunas University of Technology.

Research area and field: 02 S

Key words: : Economic sanctions, Foreign policy tool, North Korea, Iran, Russia, Sender, Target, States

Kaunas, 2018.63p.

SUMMARY

Over the years, economic sanctions have been frequently used by states as a foreign policy tool. Economic sanctions are restrictions placed on a country in order to change an undesirable behavior. States and international organizations impose sanctions in order to alter the behavior of states that violate international norms or threaten their interests. This thesis explores the effectiveness of economic sanctions as a foreign policy tool. It discusses how effective economic sanctions are in achieving their goals by using North Korea and Iran as case studies.

There are several arguments concerning the effectiveness of economic sanctions. International relations experts like Shagabutdinova and Jeffery argue that most of the time, economic sanctions don't achieve their aims and end up producing a "rally around the flag" effect (Shagabutnova & Jeffery, 2007, p. 60). Others like Lowenfeld strongly believe that if policymakers are patient enough, they would see that economic sanctions do work (Lowenfeld, 1990). Oxenstierna and Olsson argue that there are international and domestic factors that increase or decrease the pressure on target states to change their policies. These factors are the regime type, the number of sender states, international legitimacy of sanctions, cost on target states, the duration of the sanctions and level of trade dependency Etc. (Oxenstierna & Olsson, 2015, p. 25).

The main conclusion of this study is that economic sanctions work if they are done strategically and certain factors are taken into consideration. For economic sanctions to work, these factors have to be taken into consideration in order to fill the loopholes so target states have no other option than to change the undesired behavior. Sender states also have to be flexible when imposing economic sanctions by using the "carrot and stick" approach in order to make target states want to comply. Most of the time, economic sanctions are imposed on authoritarian regimes and because these regimes are less sensitive to sanctions, policymakers have to be patient and strategize properly in order for economic sanctions to achieve their goals.

Table of contents

- Introduction8**

- Chapter 1: Economic Sanctions as a foreign policy tool**

 - 1.1 Objectives of economic sanctions.....16**
 - 1.2 History of economic sanctions18**
 - 1.3 Types of Economic Sanctions 19**
 - 1.4 The unintended consequences of economics sanctions.....20**
 - 1.5 The Effectiveness of Economic Sanctions 23**
 - 1.6 Smart sanctions25**

- Chapter 2: Economic sanctions imposed on Iran to suspend its nuclear program**

 - 2.1 Iran and the Nuclear Non-proliferation treaty.....29**
 - 2.2 The Iranian nuclear program31**
 - 2.3 Iran and economic sanctions32**
 - 2.3.1 The Temporary Deal.....34**
 - 2.3.2 The Road to the Final Deal35**
 - 2.3.3 The Final deal – The Joint Comprehensive Plan of Action.....35**
 - 2.4 Effects of economic sanctions on Iran 37**
 - 2.5 Effects of economic sanctions on the West 40**

- Chapter 3: Economic sanctions imposed on North Korea to suspend nuclear program**

 - 3.1 North Korea and the Nuclear Non-proliferation treaty.....42**
 - 3.2 North Korean Nuclear Program 44**
 - 3.3 North Korea and Economic sanctions..... 46**
 - 3.4 Effects of Economic Sanctions in North Korea 47**
 - 3.4.1 Effectiveness of Economic sanctions in North Korea 49**
 - 3.4.2 Ineffectiveness of economic sanctions..... 50**

- Chapter 4: Conclusion and remarks 51**
- References 54**

LIST OF APPENDIXES

DPRK – Democratic People’s Republic of Korea

EEC – European Economic Community

EU – European Union

GDP – Gross Domestic Product

HSE – Hafbauer, Schott and Elliot Study

IAEA – International Atomic Energy Agency

IMF – International Monetary Fund

IRGC – Islamic Revolutionary Guards Corps

JCPOA – Joint Comprehensive Plan of Action

LWR – Light Water Reactor

NGO – Nongovernmental Organization

NPT – Non-proliferation treaty

UN – United Nations

UNSC – United Nations Security Council

USA – United States of America

USSR – Union of Soviet Socialist Republics

WMD – Weapons of Mass Destruction

Introduction

Since the time of Thucydides, diplomats, policy makers and scholars have tried a great deal to solve the dilemma in the international system which is the absence of a central government. Due to this, states have no other option than to enforce the international law themselves either by using military force or economic sanctions (Shagabutnova & Jeffery , 2007, p. 59).

Since WW1, the United States, European Union and other developed economies started increasingly using economic sanctions to achieve their objectives (Trenin, 2015). The use of economic sanctions by states became more frequent as a result of the fact that they can be used as a form of leverage to make the target state comply with the sender's demands without causing unintended consequences. As a result, sanctions have become important not just because they are being used frequently but because of their "centrality" as a major element of foreign policy (Shagabutnova & Jeffery , 2007, p. 60).

Economic sanctions are an integral part of the modern economic, political and social landscape. It was approved as the humanitarian alternative to war and as a result of this, there were more than 500 cases of sanctions in the 1990's alone (Boomen, 2014). Furthermore, they have become a very popular tool in international politics and this made the 1990's-2000's to be referred to as the "sanctions decade" due to sanctions placed by the UN on states like Iraq, Yugoslavia, and Haiti (Allen & Lektzian, 2012; Lopez & Cortright , 2000). Economic sanctions are actions that a country or countries (the sender) take in order to restrict the flow of goods, services or capital between itself and another country (target) with the aim of promoting particular foreign policies or increasing national security of which the immediate objective is to deter a certain behaviour by imposing cost on the target and its citizens. They are used by the sender country in order to create costs for the target state and by creating these costs, the sender states hopes to make the target state make changes to its policies (Oxenstierna & Olsson , 2015, p. 16).

The logic or theory behind economic coercion can be traced back to Albert Hirschman. In his book *National Power and the Structure of Foreign Trade*, Albert Hirschman pointed out that the ability of one government to threaten to interrupt its trade with another can be "an effective weapon in the struggle for power". He also stated that;

... the influence effect of foreign trade derives from the fact that the trade conducted between country A, on the one hand, and countries B, C, D, etc., on the other, is worth something to B, C, D, etc., and that they would, therefore, consent to grant A certain advantages- military, political, economic- in order to retain the possibility of trading with A (Hirschman, 1945).

This means that if the sender state puts enough economic pressure on the target country, that country would have no option than to behave in a more acceptable way. Nikolay Marinov believes this argument works because most states are afraid of losing the benefits of cooperation as it does not only include trade but other forms of dependence, such as economic or military aid exchanged between states. (Marinov, 2005, p. 2).

Hafbauer, Schott and Elliot defined economic sanctions as deliberate government withdrawal of customary trade or financial relations (Alikhani, 2000, p. 3). Barry Carter went further by defining economic sanctions as coercive economic measures taken against a country in order to force a change in policies or at least to demonstrate a country's opinion about the target country's policies (Carter, 1988, p. 8). They can also be explained as actions that states take in order to limit or end their economic relations with a target country so as to persuade that country to change its policies. Therefore, this shows that economic sanctions must involve one or more sender states, a target state and must be implemented by the sender country in order to change the behaviour of a target state (Valentin , Navin , & Morgan , 2009, p. 93).

Economic sanctions are popularly used because they are seen as a mild source of punishment to offending states, minimal unintended consequences and the criticism that comes with using military force can be avoided (Gordon, 2008, p. 43). In reality, this is not the case as economic sanctions do more harm than good to the population in the target country. Most of the time, the population suffers the effects of economic sanctions because those in power always have shortcuts they can take in order to escape from the sanctions. Economic sanctions create unemployment, increase inflation, reduce the standard of living and deny civilians the basic human needs. These sanctions are meant to make the target country's leaders have no other option than to change their change policies but this is not the case. For example, in Iran, a giant company called Sedat which belonged to Ayatollah Khamenei was able to control assets worth \$95 billion and these assets were easy to obtain because of the economic conditions in Iran (Goroduloff, 2016). Economic sanctions end up increasing the power of the radical groups and loyal supporters of the regime.

As stated earlier, economic sanctions are very important foreign policy tools that sender states use in order to make a target state change its policies. Chapter one of this thesis discusses economic sanctions as a foreign policy tool. It focuses on the concept of economic sanctions, types of economic sanctions, how they work, how effective they are in achieving their goals and the unintended consequences they

cause. This chapter is important because it provides a better understanding of different factors that affect the effectiveness of economic sanctions.

Chapter 2 focuses on the economic sanctions imposed on Iran in order to make Tehran its nuclear weapons program. It provides a detailed analysis of why economic sanctions were imposed, the effects of these sanctions, how effective they were in achieving their goals and the unintended consequences of sanctions on Iran. Economic sanctions were able to achieve their goals in Iran and this chapter provides a detailed analysis of the factors that made sanctions imposed on Iran successful.

Like the case of Iran, Economic sanctions were imposed on North Korea in order to make Pyongyang suspend its nuclear program. Chapter 3 explains in detail why sanctions were imposed, the effects of sanctions on North Korea, if they were able to achieve their goals and the unintended consequences they had on North Korea. So far, economic sanctions have not been able to make Pyongyang abandon its nuclear program and this chapter discusses why economic sanctions have been unsuccessful in North Korea.

The conclusion chapter would summarize all the chapters and explain the factors that have contributed to the success and failure of sanctions imposed on Iran and North Korea. In addition it would proffer solutions on how policy makers in sender countries can make economic sanctions more effective in achieving their goals.

Aims and Objectives

This study aims to explore if economic sanctions are effective in achieving their goals by providing a detailed analysis of how they came about, how they work, how they have evolved, how effective they are, their unintended consequences and how states use them to achieve their goals. This study uses Iran, North and Russia as case studies in order to provide a clear picture of the effectiveness of economic sanctions.

This study aims to analyse the contributions of various scholars to the study of economic sanctions. This thesis uses Iran and North Korea to ascertain if sanctions are effective in achieving their aims, the different factors that affect the effectiveness of sanctions and the unintended consequences of sanctions.

Significance of the study

The effectiveness of economic sanctions has been an ongoing debate in international relations. Since it gained popularity as a foreign policy tool, there have been various arguments about how effective they are in changing the behaviour of target states. A lot of international relations scholars and experts have written different articles, books and journals that have contributed to this argument.

In all, this offers a review of the existing literature on the effectiveness of economic sanctions. Scholars like Robert Pape strongly believe that economic sanctions do not work and others like Elizabeth

Rodgers argue that they work. Pape argues that economic sanctions do not work and all they do is miss their intended target and cause the innocent population pain (Pape, 1997, p. 92). However, Elizabeth Rodgers pointed out that economic sanctions are effective. She argued that effectiveness of economic sanctions is underrated and their successes are hardly reported while failures are exaggerated (Rodgers, 1996, p. 72).

There is a third argument. This argument points out that one cannot say economic sanctions are effective or not effective because there are certain factors that determine the effectiveness of sanctions. Oxenstierna and Olsson argued that some of the factors that affect the effectiveness of economic sanctions are high cost of sanctions on the sender and target country, type of government, level of trade dependency between target and sender country before sanctions, international legitimacy of sanctions, number of sender countries, the motive behind the sanctions and duration of the sanctions. These domestic and international factors can increase or decrease pressure for political change and determine the impact of economic sanctions (Oxenstierna & Olsson , 2015, p. 25).

Rudolf pointed out that economic sanctions have a high chance of success in democratic governments because they have to be accountable to their citizens but in authoritarian or totalitarian regimes, the government is not accountable to the people and sanctions always end up strengthening the regime and its loyalists (Rudolf, 2007, p. 12). The cases of Iraq, Libya and South Africa are very similar to the cases of North Korea, Iran and Russia because they show that authoritarian regimes are less sensitive to economic sanctions which means that it would take a long time for sanctions to achieve their goals (Shagabutnova & Jeffery , 2007, p. 65). This is because these regimes are not accountable to their citizens, they have a strong hold on the media and the internet which enables them to control the public opinion and they control all the resources which are used to get the support of the elites (Oxenstierna & Olsson , 2015, p. 26).

The level of trade dependency between the target and the sender state is another factor that determines the success of economic sanctions. The more trade the sender has with the target, the more effective economic sanctions would be (Shagabutnova & Jeffery , 2007, p. 65). Like in the case of Iran, Iran's economy was badly affected by the economic sanctions imposed on the oil sector because most of its oil was exported to the west. In the case of North Korea, economic sanctions have not worked so far because, since the Korean War, Pyongyang has been cut off from the international economy and therefore has no trade relationship with the west. Its major partner China, has until recently been reluctant to impose tough sanctions on North Korea. In the international system, national interest and state survival is important. If Iran had maintained its nuclear program, its economy would continue to suffer because it is linked to the international society. However the international society has been hostile to North Korea since its independence and it only makes sense for Pyongyang to develop weapons to protect itself, especially when most of the countries imposing sanctions are in possession of Nuclear weapons.

The longer sanctions are imposed the more cost the target country has to bear. It took almost 50 years (1948-1994) for the sanctions against the apartheid regime in South Africa to work. The case of Iran is similar as it took the US and its allies over a decade to make Iran abandon its nuclear weapons program (Oxenstierna & Olsson , 2015, p. 26). Economic sanctions do not only cause harm to the target's economy, they also harm the sender country. If the economic sanctions imposed badly affects the sender country, it can prevent the sender from maintaining the sanctions. For example, the effect of the economic sanctions imposed by the EU and the US affect both parties in different degrees. While the US has almost nothing to lose and can sustain these sanctions for a long period of time, most analysts doubt if the EU can sustain the sanctions imposed on Russia because of the negative costs it has on the EU's economy. On the other hand, the sender country might be willing to sustain these sanctions. In the case of North Korea, most scholars argue that the reason why economic sanctions on North Korea are not effective is because China is refusing to join the US to impose tough sanctions. This is because China has a lot to lose not just economically but politically. However, with the recent nuclear tests by North Korea, China has agreed to join the US and its allies to impose sanctions on North Korea despite their differences. In other words, China is willing to accept the costs that come with imposing these sanctions.

Another important factor is the amount of sender states imposing sanctions on the target country. More sender states mean more costs for the target country. For example, more senders mean less export markets for the target state and also boosts the international legitimacy of the sanctions regime. In order to increase the effectiveness of economic sanctions, international legitimacy is important. The sanctions imposed on South Africa during the apartheid regime got a lot of international support from the EEC and IMF (Oxenstierna & Olsson, 2015, p. 26). This increased the effect of economic sanctions and contributed to bringing the apartheid regime to an end. It can also be argued that economic sanctions imposed on Iran took a while to work because it lacked international legitimacy in the beginning. Whether comprehensive or targeted sanctions, previous cases of economic sanctions have proven that if they are not enforced adequately with total compliance of all sender states, the chances of economic sanctions achieving their goals would be low. North Korea's Sanctions regime is similar because the US and its allies have been imposing tough sanctions on North Korea but China has not been imposing tough sanctions on Pyongyang like it should thereby reducing the effectiveness of economic sanctions (Cortright & Lopez , 2002, p. 15). However, there have been cases that have shown that there a negative relationship between a multilateral sanctions regime and the effectiveness of economic sanctions. Multiple senders can have a negative effect on economic sanctions because states always have different objectives and this often leads to confusion and competition among states. Having different goals can create division among sender states

Another very important factor is the international legitimacy of the sanctions regime. In order to increase the chances of economic sanctions in achieving their goals, there has to be international cooperation. If economic sanctions are not enforced adequately and there is no cooperation among sender states, they would not yield proper results. It can be argued that the sanctions imposed on Iran were not yielding results until the EU and UN joined the US to impose sanctions on Iran. In North Korea, economic sanctions have not been effective because China is not cooperating in terms of imposing tough sanctions them (Cortright & Lopez , 2002, p. 15).

As stated earlier, Iran and North Korea are used as case studies to show if economic sanctions are effective. The economic sanctions imposed on Iran was successful while sanctions imposed on North Korea have been unsuccessful. These case studies are important for this thesis because they show how different factors increase or decrease the effectiveness of economic sanctions. These countries would be useful in explaining the effectiveness of economic sanctions because they are recent events and they show how economic sanctions have evolved over the years. In addition, these countries are different economically and politically and this will show the circumstances under which economic sanctions work. Furthermore, different scholars and international relations experts have used these countries as case studies in order to explain how effective economic sanctions are.

Statement of Research Problem

The questions that would guide this research is: do economic sanctions achieve their goals? What are the factors that affect the effectiveness of economic sanctions? The effectiveness of economic sanctions as a foreign policy tool is a contentious topic in international relations. (Shagabutnova & Jeffery , 2007, p. 60). The US has been imposing sanctions on Iran and North Korea since North Korea's revolution in 1950 and that of Iran in 1979. The reasons why sanctions have been imposed on Iran and North Korea have changed with time but presently the sanctions being imposed is as a result of their nuclear weapons program.

The recent lifting of some of the economic sanctions imposed on Iran after it agreed to the nuclear deal shows that economic sanctions can achieve their goals when done strategically and they take a time to materialize. Economic sanctions were able to make Iran make concessions because the US and its allies were able to figure out the factors that were preventing economic sanctions from achieving their goals and fix the loopholes so that Iran would have no other option than to suspend its nuclear program.

The case of North Korea is a different story because Pyongyang has been isolated from the international economy for a very long time and its main trading partner China is on the fence in terms of complying with the sanctions regime. North Korea not only openly violates international rules (conducting nuclear tests, violating human rights amongst others) but has also proven to be immune to the economic sanctions imposed on its economy. The big question here is can sanctions make North Korea abandon its nuclear program? The only achievement of economic sanctions in this case was that

it brought North Korea to the bargaining table and even after bargaining, it doesn't take long before North Korea violates the Non-proliferation treaty again (NPT). The case of North Korea is clear. If China does not join the US to impose tough sanctions on North Korea, Pyongyang would not suspend its nuclear weapons program (Chalett-Avery, Rinehart, & Nikitin, 2016, p. 10).

Research Objectives and Methodology

The aim of this paper is to analyse the different arguments concerning the effectiveness of economic sanctions, the current trend of smart sanctions, issues related to economic sanctions e.g. unintended consequences, how they affect the target country and the countries giving the sanctions.

The approach that would be used in conducting this research is the qualitative approach. Qualitative data from journals, literature reviews articles and books that have a comprehensive information about the thesis proposal topic will be used. This approach is the best for me as I do not have access to primary information. It is also useful in conducting this research as I am more interested in understanding the effectiveness of economic sanctions than creating a hypothesis. Furthermore, using a qualitative method is important for this study because it emphasizes on processes and meanings rather than on results and products (Bengtsson, 2002, p. 10). A major methodological problem that was encountered while making this research was that it was difficult to determine if the change in state behaviour was as a result of sanctions or other factors.

Chapter 1- Economic Sanctions as a Foreign Policy Tool

This chapter addresses the concept of economic sanctions. In order to explain the concept of economic sanctions, this chapter focuses on the history of economic sanctions, their objectives, their types, their unintended consequences, the concept of smart sanctions and the question of their effectiveness.

The history of economic sanctions helps to understand why and how states used economic sanctions, how economic sanctions have evolved over the years and if sanctions helped achieve their objectives. The types of economic sanctions show the methods sender states use to impose costs on their target and which methods help states achieve their goals effectively. The objectives of economic sanctions are very important in explaining why states impose economic sanctions and show how the objectives of economic sanctions affect their effectiveness. There are different arguments concerning the effectiveness of economic sanctions. This is vital in asserting if economic sanctions are effective and why they are not effective. Economic sanctions are known for causing collateral damage and this chapter explains how this damage hinders sender states from achieving their foreign policy goals. Smart sanctions were created as a result of the collateral damage economic sanctions attached to using

economic sanctions. This chapter shows if these sanctions are really smart and stop collateral damage attached to economic sanctions.

1.1 Objectives of Economic Sanctions

Most of the countries that impose sanctions are large countries that want to pursue an active foreign policy. There have been neighborhood fights amongst smaller countries which ended up with sanctions but sanctions are mainly issued by bigger powers mostly because they are big and want to run the global events. For example, most of the time, the US imposes sanctions in order to maintain and show its leadership in global affairs (Hafbauer, Schott, & Elliot, 1990, p. 4).

According to Ruediger, Sender countries usually apply economic sanctions based on 3 policy objectives; national security objectives, other foreign policy objectives and international trade and investment dispute resolution. Other official goals are the observance of human rights and the promotion of democratization in the target country (Ruediger, 2006, p. 20). There are certain factors that determine the effect of sanctions other than the sanctions imposed. Before imposing sanctions, Cortright and Lopez suggest that certain questions should be asked; are the political goals just and realistic? Do they have international legitimacy? Is there proper authority? Etc. If the foundation of any policy is bad, the sanctions used to carry out that policy would fail (Cortright & Lopez, 2002, p. 15).

According to Barber, it is possible to group the objectives/purposes of economic sanctions into three categories. First is the primary objectives which are mainly concerned with the actions and behavior of governments against whom the sanctions are directed. The secondary objectives are related to status, behavior and expectations of governments imposing sanctions. Finally, the tertiary objectives are made up of more extensive international factors that are related to either the structure of the whole international system or some parts of it. These categories do not exclude each other but can coexist and overlap in some cases (Barber, 1979, p. 367)

Theoretically, the primary purpose of economic sanctions is to coerce behavior change of states that act unethically as they are seen as the best alternative to war when words are not enough and war is not an option (Boomen, 2014; Pape, 1997). Economic sanctions are meant to weaken the gross economic potential and welfare of the rival country. This is done in order to weaken its military capabilities either in a peacetime's arms race or in an ongoing war by directly persuading the target government that the issues at stake are not worth the price or by indirectly inducing popular pressure to force the government to concede or popular revolt that overthrows the government resulting in the establishment of a government that will make concessions (Galtung, 1967, p. 2). Hafbauer, Schott and Elliot argue that states use sanctions "to coerce the target government into particular avenues of response" and assert that "in judging the success of sanctions, we limit our examination to changes that occur in the policies and potential of the target country" (cited from Pape, 1997, p. 92).

There are three reasons for economic sanctions; deterrence, demonstration of resolve and as a surrogate for other measures. Deterrence is when a sender country tries to dissuade future objectionable policies by increasing the relevant costs however, it is difficult if not impossible to determine whether economic sanctions are an effective deterrent against misconduct in the future (Hafbauer, Schott, & Elliot, 1990, p. 11). The sender country can also use economic sanctions to deter other countries from pursuing undesired objectives. For example, one purpose of the US economic sanctions against Cuba in 1960 was to discourage other Latin American nations from copying Castro's policies. Similarly, soviet economic sanctions against Yugoslavia (1948-1955) and Lithuania (1990) aimed to deter other countries from emulating the target's policy of non-cooperation with the Soviet Union (Ruediger, 2006).

"Demonstration of resolve" is mostly used by the US presidents as they always feel the need to show their dissatisfaction towards certain foreign policies even when it is clear that the state in question won't alter its behavior. The sender country can impose economic sanctions in order to make the target change its policies or behavior conform to the political goals of the sender (e.g. restoring the status quo) (George, 1994). For example, the United Kingdom and League of nations imposed sanctions on Italy (1935-1936) in order to make Mussolini withdraw troops from Albania and the US grain embargo against the Soviet Union (1980-1981) aimed to make the Soviet Union withdraw from Afghanistan (Anonymous, n.d.). They are also used as a surrogate for other measures: "a diplomatic slap on the wrist may not hit where it hurts, but extreme measures such as military measures may be too excessive" (Hafbauer, Schott, & Elliot, 1990, p. 6).

Economic sanctions may seem simple but most of them have complicated policy objectives. For example, the imposition of sanctions against Russia for its activities in Ukraine as described by a senior officer on March 20 2014

.....we are responding to the Russian intervention in Ukraine, which has included an illegal referendum in Crimea, an illegitimate annexation of Crimea and dangerous risk of escalation. And we have been deeply troubled by the positioning of Russian forces in such a way that threatens southern and eastern Ukraine. We've also been deeply concerned over threats to Ukrainian personnel in Crimea in particular as well as the treatment of minority populations in Crimea.

.....so these are costs that we are imposing for what Russia has done in Crimea, in Ukraine till date and we will continue to impose additional costs.... (Press secretary of the white house, 2014)

There are six objectives in this statement: to respond to the Russian intervention in Ukraine, the illegitimate annexation of Crimea, threats to Ukrainian personnel in Crimea, the treatment of minority populations on Crimea and to dissuade Russia from taking further negative steps in Ukraine and Crimea. The question of whether the sanctions would be effective in achieving these objectives is not very straight forward because of how diverse these objectives are (Nephew, Energy policy, 2015). Economic

sanctions hardly achieve their objectives because they are more complex than they seem and there is hardly one common objective (Ruediger, 2006, p. 7).

1.2 History of Economic Sanctions

As early as Sun Tzu, Thucydides and Machiavelli, policy makers were advised to use economic sanctions as a weapon in order to weaken their rivals. It was argued that sanctions tend to weaken the rival's economy which in turn disrupts their military capabilities and then after the target country becomes weak, military actions would be more likely to succeed. Sanctions are not only known to have a long history but have also become a very popular foreign policy tool among countries and intergovernmental organizations especially the post-cold war era (Perskin & Drury, 2009, p. 393). Before economic sanctions became popular, Military instruments were seen as the only effective way to achieve ambitious foreign policy goals like taking or defending a territory, changing a state's military behavior and causing a regime change or altering the internal political structure. However, since World War I, economic sanctions started to be seen as the liberal alternative to war and scholars argue that they are more humane (Pape, 1997, p. 92). In addition, the active use of economic sanctions as a tool of international policy was as a result of the aftermath of WWI when Woodrow Wilson suggested that the adoption of sanctions was a method which the League of Nations could use in order to make the world a war free zone and also described it as "a peaceful silent remedy (Gordon J. , Cross Currents , 1999).

Economic sanctions were hardly used during the cold war because if the US placed sanctions on a state, that state would trade with the USSR and vice versa and this made economic sanctions useless (Goldsmith, 2010, p. 10). In addition, the UN was not capable of imposing sanctions as both superpowers always used their veto power to block any action that wasn't in their favor (Askari, 2003). However, things changed as a result of the fall of communism and the wave of humanitarianism that made people seek for an alternative to war (Weiss, 1999, p. 502). In this new world, it was evident that sanctions were embraced because there were only 248 sanctions imposed from 1914-1990 while in the 1990's there were 343 cases (Valentin , Navin , & Morgan , 2009, p. 95).

Unilateral sanctions are usually used by powerful states, for example, the USA. Looking at the UN regulations on sanctions and how difficult it is to organize multilateral economic sanctions, it is very clear why the US prefers to impose unilateral sanctions. According to article 39 of the UN charter, the Security Council is supposed to impose sanctions only if there is a threat to the peace and security of the international society and this threat must not be determined on the basis of ulterior political motives (Ruediger, 2006, p. 20). These days, unilateral sanctions hardly ever achieve their aims because the US is no longer the most powerful country economically. In other words, apart from the US, there are always other countries to conduct trade with (Bergsten & Torricelli, 1998).

Multilateral sanctions were hardly used until the 1990's. The League of Nations imposed or threatened states with sanctions only four times between 1920's-1930's and this was mainly due to the

veto power of the USSR and the USA. Therefore during this era, the UNSC was only able to impose sanctions twice, against Rhodesia in 1966 and South Africa in 1977 (Ruediger, 2006, p. 13). The sanctions imposed during the 1990's were 'comprehensive' trade embargoes that were enforced on states like Iraq, Yugoslavia and Haiti of which these sanctions did little to change the policies of these and in addition caused a lot of human pain and suffering. This led scholars to reassess the use of such harsh method of sanctions (Boomen, 2014). The UN imposed 12 economic sanctions in the 1990's and its member states have also joined in imposing bilateral, unilateral or regional economic sanctions (Bengtsson, 2002, p. 5).

1.3 Types of Economic Sanctions

There are two types of economic sanctions that a sender country can use to inflict costs on its target; trade sanctions and financial sanctions. Trade sanctions were very popular in the 1990's but they are rarely used nowadays because of how they cripple the target's economy. They are comprehensive sanctions that restrict imports going in and out of the target country. Examples of these sanctions are quotas on imports and exports, restrictive exports and imports licensing, limited or total export disruption (embargo), limited or total import disruption (boycott), discriminatory tariff policy (which includes removing the most favored nation status), restriction or cancellation of fishing rights, suspension or cancellation of trade agreements and the ban on strategic goods and advanced technology exports. Trade sanctions aim to limit or stop the flow of goods and services in the target economy thereby reducing economic activity (Shagabutnova & Jeffery, 2007, p. 62). They can be comprehensive like the case of Iraq or selective by only restricting the goods in connection with the trade dispute. Comprehensive trade sanctions are often criticized because of the economic damage they cause in target countries (Bossuyt, 2000). Trade sanctions cost the target economies a lot in terms of lost export markets, denial of critical imports, lower prices received for embargoed exports and higher prices paid for substitute imports (Hufbauer, Schott, & Elliot, 1990, p. 12). Trade sanctions are criticized because they affect the whole economy which causes economic pain on the middle and poor class in the society. The effects of trade sanctions are not evenly distributed among all the population in the target state because most if not all the time, the elites are not affected (Shagabutnova & Jeffery, 2007, p. 62).

Financial sanctions are smart sanctions that mostly deal with monetary issues. They include blocking government assets held abroad, reducing the target's access to financial markets and restricting loans and credit, restricting international transfer payments, restricting the sale and trade of property abroad and the freezing of development aid (Bossuyt, 2000). Suspension of financial aid can be regarded as part of financial sanctions and they can include freezing or confiscation of bank assets of the target government or target nationals, confiscation or dispossession of other target assets including the target investment in the sender country, freezing interest or other transfer payments, refusal to refinance or reschedule debt repayments (interest and principal) and suspension of or cancellation of joint payments

(Anonymous, n.d.). Unlike comprehensive trade sanctions, financial sanctions are preferred because they affect the elites directly thereby minimizing collateral damage and creating incentives for the ruling class to comply with the demands of the sender. They are also not so public and this reduces the ability of the elites to use the “rally around the flag effect” in their favour. Despite all these perks, financial sanctions are sometimes difficult to implement because it hard to locate the assets of these elites and get the cooperation of third countries in which the assets are hidden (Shagabutnova & Jeffery , 2007, p. 62).

1.4 The Unintended Consequences of Economic Sanctions

The international norms and obligations outlined in several human rights instruments like the universal declaration of human rights states all individuals possess human rights. Some of these rights are the right to life, right not to be subject to torture, cruelty and slavery. There are also other human rights that are generally accepted by states as jus cogens. According to article 39 and 41 of the UN charter, sanctions can be used against a state when an international law(s) is violated. However, sanctions, have a lot of consequences that violate the UN fundamental human rights and the norms of jus cogens (Shagabutnova & Jeffery, 2007, p. 61).

Economic sanctions have been referred to as a blunt instrument that the international community frequently uses without considering the impact that these measures will have on those living in the targeted countries. As a matter of fact, the UN Secretary General Kofi Annan defined economic sanctions as “a blunt instrument that hurts a lot of innocent people that are not their primary targets”. Case studies of sanctions against Cuba, Iraq and Yugoslavia have shown the effect sanctions can have on the availability of food, clean water and medicine (Allen & Lektzian, 2012, p. 119).

Despite the frequent use of economic sanctions, very little research was done to know if these sanctions hurt the democratic freedoms and political rights of innocent individuals in sanctioned countries. Economic sanctions create conditions enables the target leadership to hold on to power and increase the use of political repression (Galtung, 1967, p. 16). Unlike military conflict, economic sanctions are not meant to kill citizens of the target country and this is why are seen as a more humane coercive policy (Drenzer, 1998, p 68; Allen & Lektzian, 2012). However after seeing the results of sanctions in the 1990's, critics began to challenge this logic and argued that sanctions was a foreign policy tool that targets innocent and poor citizens (Gordon J., Cool war: Economic sanctions as a weapon of mass destruction, 2008, p. 44). Writers like Cortright and Lopez (1995-2000) and Gibbons (1999) who contributed to the literature of the humanitarian impact of economic coercion pointed out that sanctions could lead to civilian pain because they damage the economic, demographic, health and governance capabilities of the target countries. Also, the immediate economic costs end up damaging personal security, physical quality of life and deteriorate social services. Economic coercion could also lead to societal consequences such as causing a widening gap in income distribution, weakening the civil society and offering more incentives for the target elites to suppress the power of political parties and

social media (Perskin & Drury, 2009, p. 400). According to these scholars, economic sanctions are counterproductive tools even when imposed with the intention of promoting human rights.

Besides the humanitarian consequences, a few studies pointed out the effects economic sanctions has on the stability of sanctioned countries. These studies argue that the main reason why sanctions can destabilize domestic politics is the connected to the unequal distribution of the negative economic cost of sanctions on civilians that lead to more civil unrest and violent protests against the regime. Thus, these studies imply that sanctions do not only fail in their intended policy goals but they also hurt the domestic stability of target states (Perskin & Drury, 2009, p. 396). There are also a few studies that discuss the effects of sanctions on human rights; for example, the US threat to remove China's most favored nation status not only failed to promote respect for human rights, it also reduced the rights further (Cooper A Drury & Li, 2006, p. 308). They also pointed out that that the threat of economic sanctions was counterproductive and resulted in fewer Chinese domestic political accommodations regarding the use of repression against citizens. (Gibbons, 1999) also argues that although the US-led sanctions against Haiti in response to the military overthrow of Jean-Bertrand Aiside's civilian government was aimed at restoring democratic rule at Haiti, it ended up being counterproductive and led to the further deterioration of civil and political liberties.

If economic sanctions are meant to force the target regime to make democratic reforms or increase its respect for human rights, then the sanctions must hurt the economic and political stability of the target's political leadership by denying it access to economic and military resources. This is because the leadership uses these resources to stay in power by paying off its coalition and using the military to suppress the population (Krishner, 1997; Galtung, 1967; Blanton, 1999). This means that economic sanctions are meant to reduce the resources of the target regime as there are important in gaining supporters however since these resources are scarce, the legitimacy of target regimes among its supporters and the society would reduce drastically. Therefore, the lack of these resources should cause a loss of support among influential groups and reduce the repressiveness of the regime (Wintrobe, 1998). Furthermore, once economic sanctions inflict pain on the citizens, they are more likely to apply pressure and rise up against the government to comply with the demands of the sanctioning countries (Allen S., 2004). Once this domestic turmoil negatively starts affecting the target country, economic sanctions will most likely force the regime to agree to foreign demands. The belief here is that if the target leadership gives into foreign pressure, this would help its regain legitimacy in the eyes of the society which has been disrupted by sanctions (Perskin & Drury, 2009, p. 401).

However, they believe that there are serious questions to be raised concerning this view on how economic sanctions operate in target countries. This is because economic sanctions hardly harm the economic and political capacity of the target regimes instead it harms the socioeconomic and political capacity of the average citizen. This means that sanctions do not really put pressure on the target regime

make reforms (Thomas, Cortright, Lopez, & Minear, 1997, p. 5). Most of the time, economic sanctions encourages the target regime to be more repressive even with foreign pressures just to avoid giving into the demands of a foreign power, avoid looking weak to their citizens and maintain their authority over them. If the target country looks weak to their citizens, they would lose support the key social groups that help maintain the status quo (Galtung, 1967; Fearon, 1994; Schultz, 1998). If the regime is willing to give into a public demand from another country whether it is to force political change, nuclear proliferation or other foreign policy position taken by the target country, political opposition groups will see that as a sign of weakness (Perskin & Drury, 2009, p. 403). This sign of weakness will most likely increase the support of the opposition and make them a credible rival in the eyes of the population (Drury & Li, 2006).

Those groups opposing the regime can view economic sanctions as a form of support from a foreign power especially when the aim of these sanctions is to destabilize the target leadership. Sanctions send signals to the opposition that their own demands for reforms are legitimate and more support may come in the future (Perskin & Drury, 2009, p. 409). They also argue that this situation is what the regime fears the most – the opposition believing that they have support from another country. Due to this, the targeted regime would most likely use repressive acts to send a signals to the opposition and the public that it would not condone any political altercation.

Scholars like (Thomas, Cortright, Lopez, & Minear, 1997) argue that economic sanctions put a heavy burden on the civilians. They increase the poverty level further, increase the unemployment rate and inflation and harm the livelihood of average civilians which in turn increases the frustration of those who don't have the support of those in power. According to the relative deprivation theory, when the frustration within the society increases due to economic hardship, this would most likely lead to organized violence against the state (Gurr, 1968, p. 1005). Economic sanctions can create political instability by causing more violence and political unrest and the government will most likely end up using physical force and repression to maintain the status quo (Peksen, 2009, p. 60). The use of these repressive measures by the government against the violent groups will end up restricting democratic freedoms and violations of human rights (Perskin & Drury, 2009),

Economic sanctions help the target regime increase its coercive power by manipulating the economic hardship caused by the sanctions. The target regime does this by diverting the cost of sanctions to the average citizens and then using the remaining resources to increase political support. Furthermore, political elites also avoid the cost of sanctions by creating revenues and maintaining the supply of scarce resources through illegal smuggling and different underground transnational economic avenues (Thomas, et al., 1997; Gibbons, 1999; Peksen, 2009). Despite the restriction of the flow of goods and services to the target country, the regime is still able to control the flow of the remaining resources within the country which in turn makes the key supporters of the leadership more dependent on the regime for

those resources (Gibbons, 1999, p. 7). Therefore, the supporting groups become loyal and the regime's ability to maintain greater support thereby providing the target leadership with more power and authority that can be used to oppress anti-regime groups (Perskin & Drury, 2009, p. 400).

For example, under the UN sanctions against Iraq, Saddam Hussein was able to survive the sanctions regime and prosper compared to the citizens of Iraq. He was able to do this by diverting the already scarce public resources to his supporters in the government and military. Before the economic sanctions, Saddam Hussein's regime used public goods to pay supporters and the sanctions were meant to reduce the resources in order to reduce his supporters. However, the sanctions increased his importance as the supplier of those resources thereby allowing the Iraqi regime to use its repressive power over the society (Reuther). In the case of Rhodesia, Ian Smith's government was also able to shift political power away from tobacco farmers who were directly hurt by the sanctions to the industrialists. Using the power of the government, Smith was able to create a new powerful coalition so that he could stay in power and enhance the authoritarian regime while other groups outside the government's support base suffered and were unable to resist his repressive measures. (Rowe, 2000, p. 132).

According to the Hafbauer, Schott and Elliot study (HSE), financial sanctions were used alone or combined with trade controls in 86 out of 166 cases they studied (Hufbauer, Schott, & Elliot, 1990). Shagabudinova and Berejikian studied the HSE sanctions data and came to the conclusion that financial sanctions are shorter compared to trade sanctions because they work faster and this, in turn, reduces the impact of sanctions on the population (Shagabutnova & Jeffery, 2007, p. 61). Other smart sanctions include arms embargoes, asset freezes and travel bans.

1.5 The Effectiveness of Economic Sanctions

The question "do economic sanctions work?" is one of the most asked questions when it comes to the effectiveness of sanctions and most scholars believe sanctions are ineffective and a failed policy instrument in the vast majority of cases (Galtung, 1967, p. 2; Pape, 1997, p. 6). Cortright and Lopez pointed out that in order to know if the economic sanctions imposed on a target country was effective, these questions must be asked; was the sanctions able to help in making the target agree to at least part of the sender country's demands? Did the sanctions help with a successful bargaining process that led to a negotiated settlement? Did sanctions isolate or weaken the military of an abusive regime? (Cortright & Lopez, 2002, p. 6).

The track record for economic sanctions is terrible because most of the time, they don't seem like they do anything to alter the target state's behaviour and in addition, most studies argue that they are generally ineffective (Eriksson, 2011). The efficacy of economic sanctions as a tool of foreign policy is a controversial issue among policy makers, scholars, and journalists. Some argue that measures of economic coercion can damage the wealth of the target to the extent that rogue leaders will be forced to alter the undesirable foreign policy behaviour (Kaempfer & Lowenberg, 1988). Those critical of

economic sanctions argue that most of the time they produce a “rally around the flag effect”, miss the important targets and often cause harm to the groups they are supposed to protect (Shagabutnova & Jeffery , 2007, p. 60).

Clara Anne Robbins pointed out the ineffectiveness of economic sanctions by stating that;

Sanctions haven't dislodged North Korea's repressive and erratic leaders or forced a rollback of their nuclear and missile programs. For all the international pressure on Syria's Assad, the regime is getting more ruthless, not less and the policy debate in Washington has moved on to how much military support to provide to the rebels (Robbins, 2013).

Despite the acceptance of some scholars that sanctions are more humane than military force, the first major research done on economic sanctions was during the 60's and 70's and a consensus was reached that they were not as effective as the military force. However, others who rejected the belief that economic sanctions are ineffective argue that compliance of target countries to these sanctions should not be the criteria used to judge the effectiveness of sanctions. In most cases, even though the total compliance of the target country is not obtained, the sender may have managed to achieve less ambitious foreign policy goals like symbolic gains (Ang & Dursun, 2007, p. 137). According to Elizabeth Rodgers,

“Economic sanctions are more effective than most analysts suggest. Their efficacy is underrated in part because unlike other foreign policy instruments, sanctions have no natural advocate or constituency.....as a result, their successes are widely unreported while their failures are exaggerated” (Rodgers, 1996, p. 72).

The conventional argument that advocates for the use of economic sanctions rather than military conflict is that even if they have a low chance of succeeding compared to military conflict, the fact that they are relatively costless to the target and the sender might still make them a viable policy option (Allen & Lektzian, 2012, p. 113). If scholars take into consideration the fact that economic sanctions take a while to work and the effect is rarely crystal clear, one would realize that the success rate of economic sanctions is rather impressive (Lowenfeld, 1990, p. 1930). A study by Gary Hafbauer, Jeffery Schott and Kimberly Ann (HSE) was the first evidence that showed economic sanctions can achieve “ambitious foreign policy goals”. In their study, they reviewed 115 cases between 1914-1990 where sanctions were used and found out that 40 cases or 34% were successful, however, Robert A. Pape disagreed with the review by pointing out that the economic sanctions reviewed were effective 5% of the time, not 34%. (Badkar, 2013). Pape also argues that 18 of the 40 cases were settled by direct or indirect force; 8 of these cases showed no evidence that the target made the demanded concessions; 6 do not qualify as instances of economic sanctions and 3 are indeterminate. Therefore only 5 were successful (Pape, 1997, p. 6). There were inconsistencies in both results because the HSE data set has more cases of minor sanctions than Pape's sample as well as instances where the sanctions were threatened not imposed (Boomen, 2014). Cortright and Lopez argue that there are several ways to make economic sanctions

effective. They argue that economic sanctions are effective when they are very strong, adequately enforced and have international cooperation. For example, in the case of Libya, there was international cooperation and most states participated in the UN travel ban and isolated the Gaddafi regime. In the case of Sierra Leone, economic sanctions failed because it lacked adequate enforcement from the sanctions regime (Cortright & Lopez, 2002 p. 15). In addition, the HSE study also points out that sanctions have a better chance at succeeding if the objectives are modest, if the target country is already experiencing economic difficulties, if there is a friendly relationship between the sender and the target, if the sanctions have significant costs and if there are a few sender countries (Rudolf, 2007, p. 10).

Economic sanctions have always had a terrible record because most international relations analysts believe they don't work. The League of Nations failed attempt to stop Mussolini from invading Ethiopia, the USA's failure to bring down Castro's Cuba and the survival of white Rhodesia led by Ian Smith. Robert Pape argues that economic sanctions are useless when pursuing non-economic goals and nationalism is very important for the most states as they are willing to bear a huge amount of discomfort rather than abandon what are seen as the interests of the sender nation (Pape, 1997, p. 90). Critics also argue that economic sanctions just divert markets without causing the intended target pain, a good illustration showing how states can divert markets is the Soviet Union deciding to buy bulldozers and pipe layers from Japan instead of Peoria and wheat from Argentina instead of Kansas (Lowenfeld, 1990, p. 1932).

1.6 Smart sanctions

Comprehensive sanctions are blunt instruments used to make the targeted regimes reverse policies but the humanitarian consequences were severe, neighbouring countries were sometimes affected and the leaders of the target country and their supporters escape unharmed (Hafbauer, Schott, Elliot, & Oegg, 2007, p. 1). Comprehensive sanctions became unpopular because most of the time, they brought target states to its knees, imposed a great deal of pain on the civilian population and still lacked effectiveness (Lenard, 2015). They also end up increasing the authoritarian regime's grip on power, for example, in order to stay in power during sanctions, leaders of authoritarian regimes supply their loyal supporters and elites with already scarce public goods (Drezner D., 2011, p. 104). Comprehensive sanctions also cause repression, especially in authoritarian regimes. Perskin and Drury argue that comprehensive sanctions increase the violation of human rights and reduce the integrity of human rights in the target regime (Perskin & Drury, 2009, p. 405).

The proponents of comprehensive sanctions argue that the more pain inflicted on the target's economy, the more effective the sanctions would be (Drezner D. W., 2003, p. 107). However, the effectiveness of economic sanctions is not supposed to be measured by how much negative effect it has on the economy but by whether sanctions were able to make the target country change its course without humanitarian consequences. For example despite the high costs of the sanctions imposed on Iraq,

Saddam Hussein did not change his policies (Wertz & Vaez, 2012, p. 1). Rudolf also pointed out that there is a difference between impact and effect of economic sanctions (Rudolf, 2007, p. 7).

After the invasion Kuwait, the US urged the international community to impose comprehensive sanctions on Iraq that would cripple Iraq's economy and in addition to these sanctions, there were massive bombings which destroyed Iraq's roads, bridges and led to the starvation and deaths of over 500,000 Iraqi children. Due to these humanitarian consequences, scholars and practitioners started formulating the concept of smart sanctions that would hurt those in charge of creating and changing policies in target regimes without hurting the innocent civilians (Gordon J. , Foreign policy in focus, 2010). In addition, this period was the same time that humanitarian concerns started emerging. Humanitarian groups like Red Cross and human rights activists started voicing concerns about the effects of the UNSC comprehensive sanctions on the innocent population (Drezner D. , 2011, p. 97). In his Nobel lecture in 2002, President Jimmy Carter pointed out that "states must strive to correct the injustice of economic sanctions that aims to punish abusive leaders but all too often inflict punishment on those who are already suffering from abuse" (cited from Drezner D., 2003 p 107).

Analysts and policy makers began searching for alternatives to comprehensive economic sanctions because they discovered that these sanctions were not as effective because leaders of the target countries usually shift the cost of the sanctions to the innocent population that can do nothing to change the policies in question. The UNSC came up with "smart" or "targeted" sanctions that would punish the elites of the target economy without causing too much damage to the target's population (Hafbauer, Schott, Elliot , & Oegg, 2007). To Shagabutdinova and Berejikian, smart sanctions similar to smart bombs which are supposed to cause military damage to certain targets while avoiding damage to civilians (Shagabutnova & Jeffery , 2007, p. 61). Examples of smart sanctions are financial sanctions, travel bans, asset freezes, restriction of luxury goods and armed embargoes (Drezner D. , 2011, p. 102).

Those that advocate for smart sanctions argue that smart sanctions are very useful compared to comprehensive sanctions because "they put a lot of pressure on the targeted leadership or group with little negative impact on the target's population". The most important aspect of smart sanctions is that it punishes the real perpetrators and spare the innocent victims. (Shagabutnova & Jeffery , 2007, p. 61). Kaempfer, Lowenberg and Martens (2004) used a public choice approach in order to explain how sanctions only affect the vulnerable population and not the elites. According to them, the elites don't get affected by sanctions which means sanctions would not be able to make the target government change its policies. Krishner (1997) used a micro-foundations approach to argue that the only way for sanctions to have minimal effect on the population is if financial measures like asset freezes were used (Drezner D. , 2011, p. 100). "Targeted" sanctions focuses on imposing coercive measures on specific elites that affect policies in the target regime and their companies or entities. Targeting also means placing sanctions on certain products and services that are important to the elites. "Smart" sanctions places

sanctions on specific individuals and entities, restricts the products available to them and at the same time limiting humanitarian consequences (Cortright & Lopez , 2002, p. 2).

In order for smart economic sanctions to work properly, it is very important for the sender country to understand the internal political economy of the target state (Drezner D. W., 2003, p. 107). Smart sanctions have more effect if they are done strategically. For example; pinpointing the decision-making elites that have the power to change policies and the assets that are very valuable to them. When these things are identified the sender state should strategically design these sanctions in a way that these individuals would be denied of their prized assets. The main goal is to impose enough sanctions on these individuals in order for them to re-evaluate the policy in question (Cortright & Lopez , 2002, p. 17).

Most of the time, economic sanctions are imposed on authoritarian regimes. This is mostly due to the fact that most policies are always against the western interests. When sanctions are imposed on authoritarian regimes, the regime leaders always find a way to stay in power by shifting the effects of the sanctions to the innocent citizens and diverting resources in order to satisfy their supporters. This is where targeted sanctions become useful. Smart sanctions that punish the elites have a better chance at succeeding because they directly punish those responsible while avoiding collateral damage (Drezner D. , 2011, p. 100). This is not to say that smart sanctions don't inflict some kind of pain on the citizens. It is almost impossible for sanctions not to cause any pain because it's in its nature to bring about economic and social pain. Smart sanctions are meant to target the elites but the innocent population can still feel the effects because political leaders can divert the costs of sanctions to the population. However, the effects of smart sanctions are limited compared to comprehensive sanctions (Cortright & Lopez , 2002, p. 6).

It is no doubt that humanitarian consequences should be considered when imposing sanctions, however, the effectiveness of sanctions are also more important. Critics of smart sanctions argue that no matter how attractive they might be, there are a lot of operational problems that make these sanctions very difficult to enforce. (Shagabutnova & Jeffery , 2007, p. 63). Some scholars argue that smart sanctions are less effective than comprehensive sanctions. Elliot (2003) pointed out that with the exception of Libya, the results of targeted sanctions have not been impressive. Smart sanctions are not effective compared to comprehensive sanctions but they still manage to solve some political problems for the sender state (Drezner D. , 2011, p. 102). Smart sanctions have also proven to be very difficult for policy members to implement. For example, when trying to impose financial sanctions, it is sometimes very difficult to find the assets of the target and if there are any assets hidden in a third party country, their cooperation is required (Shagabutnova & Jeffery , 2007, p. 65). Smart sanctions still hurt the population, for example, travel sanctions can disturb the flow of food and medicine in areas of conflict and arms embargos increases the cost of arms thereby reducing the government spending in other

important areas like health. In addition, sender states are using targeted sanctions more frequently and target states would soon figure out how to evade these sanctions soon (Drezner D. , 2011, p. 108).

This explains the concept of economic sanctions in detail. Before the World wars, they were used in combination with military instruments but the cost of using military means as a foreign policy tool became apparent, states started using economic sanctions more frequently. This chapter has addressed why states impose economic sanctions and how the objectives of economic sanctions affect the effectiveness of economic sanctions. It is very evident that the effectiveness economic sanctions is issue in international relations. Some argue that they work, some believe they don't work while others argue that they are different factors that can reduce their effectiveness. Up until the 1990's states used comprehensive sanctions but they realized these sanctions were not effective most of the time and caused harm to the innocent population. This led policymakers to come up with the concept of smart sanctions. This chapter has addressed if smart sanctions are really smart and if they achieve their goals.

Chapter 2 – Economic sanctions imposed on Iran for its nuclear program

In recent years, the United States and its aides have increasingly used economic sanctions in order to promote its foreign policy objectives and make countries that challenged its interests change their

policies (Torbat, 2005, p. 1) Economic sanctions have been supported on a unilateral and multilateral level as a means of curbing Iran's access to nuclear materials and dissuading it from developing nuclear weapons. The goal of economic sanctions is to put pressure on Iran's ability to continue its nuclear program and they are a method of hard power that is based on international liberalism which emphasizes on diplomacy as the solution to international problems (Lin, 2011, p. 217).

This chapter explains why and how the US and its allies have imposed economic sanctions on Iran over the years. It shows the process of how the United States and its allies were able to make Tehran agree to suspend its nuclear weapons program. It also shows the effects these sanctions had on the Iranian economy and if these effects were useful in achieving the foreign policy goals of the US and its allies.

2.1 Iran and the Nuclear Non-Proliferation Treaty (NPT)

Nuclear technology is well known for causing a lot of destruction. With this in mind, countries have created international arrangements that are meant to promote the peaceful use of nuclear technology while preventing the spread of materials and equipment that can be used for producing nuclear weapons. Today, however, it is clear that this global non-proliferation regime is falling short (Lettow, 2010). Since the mid 80's the United States, Israel and other western powers have accused Iran of pursuing nuclear weapons capabilities. The International Atomic Energy Agency and the European Union have had a lot of negotiations with Iran in order to ensure that it was committed to the NPT but despite these efforts, the Iranian case was one of the most serious cases that threatened the non-proliferation regime (Bahdat, 2006).

The NPT was a part of a movement called the "atoms for peace" which enabled different nations to have access to nuclear technology for peaceful purposes but stopped them from producing nuclear weapons (Jahanpair, 2015). The NPT is a worldwide treaty which bans all members except the United Kingdom, China, France and the United States from having nuclear weapons and committing those 4 states to eventually eliminate their arsenal. The treaty provides the international regime with the necessary norms and foundation to curb and prevent the spread of nuclear weapons around the world. 187 states are part of this treaty and this includes significant states with the exception of India, Pakistan, Israel and North Korea (Bunn, 2003). The NPT came up as a result of the growing awareness among the international community on the dangers of the proliferation of nuclear arms after the world witnessed the destruction of Japan during World War II. The treaty served international interests by advancing nuclear non-proliferation, disarming and dismantling existing nuclear weapons and advocating for peaceful nuclear development (Lettow, 2010, p. 13). It regulates the activities of countries that wish to make use of peaceful energy and to prevent the spread of nuclear weapons while promoting the peaceful use of nuclear technology (Jahanpair, 2015).

Iran signed the NPT on July 1st 1968 and the parliament ratified it on February 1970 (Nikou, 2015). Iran was one of the first signatories because it was only logical to sign the treaty as a non-nuclear

signatory because Tehran just initiated a meaningful nuclear program. This meant that Iran was not to acquire or manufacture nuclear weapons, to accept safeguards that verified the non-proliferation obligations and to negotiate in good faith for the cessation of the nuclear arms race (Lin, 2011, p. 218). In return for its agreement to the NPT, Iran gained the right under article IV of the treaty which is to develop research, production and use of energy for peaceful purposes in accordance with article 1 and 11 (Lettow, 2010, p. 19). The nuclear program was very important to the Shah because he believed that exploring and developing other forms of energy was mandatory for the Iranian economy in order to deal with the economic uncertainty resulting from regional wars (Lin, 2011, p. 219) .

In 2002, the concern over the nuclear activities in Iran was intensified with the revelation of an Iraqi-based opposition group called the national council of resistance in Iran. They revealed the existence of unknown and undeclared nuclear facilities, one was located in Natanz which was used for Uranium enrichment and the other one was a heavy-water production plant at Arak. Iran accelerated its development technology and began to deviate from its commitments as a signatory to the non-proliferation treaty. Iran developed a huge network of uranium mines, enrichment plants, conversion sites, research reactors and constructed other nuclear facilities to supply domestically produced nuclear fuels. This large amount of Uranium production allows Iran to produce an estimated 2.77kg of low-enriched uranium per day (Milani, 2010). The western intelligence agencies had snapshots as proof of an extensive and sophisticated weapons program whose goal was to produce uranium implosion devices (Filzpatrick, 2011).

Iran's diplomatic stalling and the unwillingness of the international community to enforce the conditions of the NPT in a meaningful way enabled Iran to drastically increase the enrichment Uranium on a scale that cannot possibly be used for just producing fuel for a nuclear power reactor but could also be used to produce nuclear weapons (Lettow, 2010). In addition to the large scale of Iranian development, the nuclear program was a secret and this indicated that Iran had other plans than producing fuel for a nuclear reactor (Lin, 2011, p. 223). These revelations alarmed the western countries and this made the EU led by France, Germany and Britain to engage in intense negotiations with Iran in order for Tehran to honor its commitment to the nuclear non-proliferation treaty (Bahdat, 2006, p. 309). After a lot of pressure, Iran signed the additional protocol which allows more aggressive inspection by the international atomic energy agency (IAEA) in order to verify that it was not pursuing nuclear weapons.

On the other hand, Iran's officials claim that their country is in full cooperation with the NPT arguing that in the early 1990's Iran was the only member state to voluntarily write the IAEA safeguard inspectors to visit all their sites and facilities at their discretion (The International Atomic Agency Communication, 2005). Despite the speculations of Iran's intention to construct nuclear weapons, there is no conclusive evidence proving it. The intentions of Iran are uncertain because the means of detecting,

determining and enforcing violations of safeguards obligations and the will to do so are inadequate for the task (Lettow, 2010). Even without the evidence to prove Iran's intentions, it is still possible that Iran's nuclear technology is for peaceful purposes and Iran's antagonism towards the international community is as a result of its mistrust for the international community (Lin, 2011, p. 230).

2.2 The Iranian Nuclear Program

Iran would be at the top of a list of countries American and its allies would least like to have nuclear weapons (Carpenter, 2006, p. 2). The problem of Iran's nuclear program fits perfectly with the realist theory of international relations. According to realism, the international system is anarchic in nature and this led states to be uncertain of the capabilities and intentions of the Iranian nuclear program despite the existence of the United Nations and other multinational organizations. This uncertainty created serious security dilemmas for the international community particularly Israel and the United States (Lin, 2011, p. 228). Majority of Iran's neighbours including Israel feared its nuclear program and could have gotten their own nuclear weapons if Iran succeeded in acquiring nuclear weapons (Albright & Stuker, Iran's nuclear program, 2010, p. 3). The United States, the United Nations and the European Union have imposed several sanctions on Iran for its nuclear program since the International Atomic Energy Association (IAEA) and the UN watch dog became certain in 2005 that Iran was not complying with its international obligations (Laub, 2015).

Iran always wanted to acquire nuclear capabilities since as early as 1957 when it signed a civil nuclear cooperation agreement with the United States that provided technical assistance and the "lease of many kilograms of enriched Uranium" (Albright, Timeline of Iran's path to nuclear weapons; Reassessing the implications of Nuclear-Armed Iran, 2005, p. 49). It began through the United States "Atoms for peace" program which promoted the development of safe and peaceful nuclear technologies and strengthened the alliance between both parties which was vital to the US national security interests because of the cold war and Iran's strategic location on the border between the Middle East and the Soviet Union. President Eisenhower sought to increase military, economic and civilian assistance in order to gain a strategic position with Iran (Lin, 2011, p. 217).

In the early stages of building its nuclear program, Iran relied on the United States and other western countries and by the late 1960's the Atomic Centre of Tehran University and Research reactor was established (Bahdat, 2006, p. 311). In 1974 Iran signed several agreements with the United States to buy 8 reactors, with Germany to build a power reactor at Bushehr and with France in 1977 to build two reactors at Darkhovin. Iran also purchased a 10% share in a Uranium enrichment plant built by a French company called Tricastin (International atomic energy agency, 2005). Iran's growing ambitions about the possibilities of a large nuclear program began to rattle the world and despite the shah's assurance that his nuclear program had only peaceful intentions, foreign governments increasingly became reluctant to aid Iranian nuclear development (Lin, 2011, p. 218).

After the Islamic revolution, the Iranian nuclear program slowed down as a result of lack of assistance from the west, the belief the supreme leader of Iran Ayatollah Khomeini had that nuclear weapons were against the basic principles of Islam, the exile of many Iranian scientists, France and Germany's withdrawal of support and Israel's destruction of Iraq's nuclear facility at Osirak (Bahdat, 2006). This break ended after of Iranian leader Ayatollah Khomeini died in 1989 and Ayatollah Khamenei came into power. The new supreme leader of Iran had a more positive view of the nuclear power and made plans to rebuild the nuclear program in Iran. This was mainly due to the 1991 Gulf war against Iraq, the increase of western presence in the Persian Gulf and the possibility of Iraqi nuclear armament. All these factors threatened the security of Iran and led to the belief that Iran could no longer depend on its non-nuclear weapons (Lin, 2011, p. 218). In addition to defense, nuclear weapons would also be useful for Iran's attainment of regional hegemony as Iran remembers the glories of the ancient Persian Empire which was destroyed by raiding Arabs spreading Islam across the region. Also, following the fall of the Soviet Union, the Middle East was no longer a battleground between super powers and this has created an avenue for new regional leaders to emerge. A functioning Iranian nuclear weapon would cement Iran's superiority over its Arab rivals and its leadership in the region (Milani, 2010).

The Iranian government started offering incentives for Iranian scientists who left to return home in order to help with the nuclear program (Perera, 2000). Due to international isolation and tense relations with the U.S, it became difficult for Iran to rebuild its nuclear program and this eventually made Iran turn to the Soviet Union and China. In 1990, Iran signed a nuclear program with Moscow and Beijing and 5 years later Russia agreed to a deal of \$800 million to complete the first reactor in Bushehr (Koch & Wolf , 1998, p. 2). North Korean technicians and military experts have also supported Iran's path to achieving nuclear bomb capacity and have helped in increasing Iran's ballistic missiles (Nuclear threat Initiative, 2010). The relationship between both countries was very alarming given North Korea's status as the only state to have officially withdrawn from the NPT and to have developed weapons after signing the treaty. Also, Iran's dependence on North Korea may be a signal of its intentions to follow a similar path to nuclear development of nuclear development (Lin, 2011, p. 220).

2.3 Iran and Economic Sanctions

Before the Iranian revolution, the US was one of Iran's major trade partners. The year before the revolution, the US was the second largest exporter to Iran after Germany (Leurs, Bieri , & Lewis , 2012, p. 20). The 1979 revolution in Iran ended a symbolic relationship between the United States and the Shah whereby the latter helped sustain helped sustain the political and economic interests of the United States in the Persian Gulf region and the former helped preserve the rule of the Shah (Fayazmanesh, 2002, p. 234). The economic sanctions against Iran started after the Islamic revolution and when 52 American hostages were held at the US embassy in Tehran. Since then, the US has imposed various additional sanctions against Iran accusing the Iranian government of developing nuclear weapons and

funding terrorism abroad (Levs, 2012; Anon., n.d.). Most Scholars would agree that economic sanctions have become part of the U.S. - Iran relations and these sanctions have drawn harsh criticisms over the years for being mostly unilateral. However, the US action eventually spurred a broad international consensus including series of UN sanctions since 2007 and EU sanctions since 2010 (Clawson, 2015).

As a result of the hostage crisis in 1979, the US government froze the assets of the Iranian government in the US and US banks overseas, totaling \$12 billion and this later led to a full-blown trade embargo until an accord was signed with Iran in 1981 and most assets were unblocked and the embargo was lifted (Levs, 2012). However, Fayazmanesh argues that contrary to popular beliefs, the freezing of Iranian assets and properties was merely a “trigger mechanism” that allowed the US administration carry out a long-awaited plan to protect the US financial institutions against the withdrawal of funds. According to her, the economic freeze of 1979 created a windfall for the US banks because they were able to hold on to more than \$10 billion in Iranian assets for more than a year and also managed to retrieve all the secured and unsecured loans made to Iran before the Shah was overthrown (Fayazmanesh, 2002, p. 230).

Ever since the IAEA stated that Iran was not adhering to its safeguards obligation in 2005, the UN Security Council has progressively built up an international sanctions regime against Iran that all its member states must adhere to (Laub, 2015). The primary reason for these economic sanctions is for Iran to abandon its nuclear weapons program. Other secondary reasons include trying to contain Iran by reducing its military capacity, to reduce the amount of power Iran has in the region and discourage other states that want to follow Iran’s footsteps (Wertz & Vaez, 2012, p. 15).

As a result of Iran’s controversial nuclear program, the UN Security Council has imposed four sets of sanctions on Iran, in December 2006, March 2007, March 2008 and June 2010 and each resolution was designed to increase pressure on Tehran to stop its enriching uranium and ballistic missiles development program (Yukhananov, et al., 2012; Starr, 2010). The UN sanctions targeted top officials, government branches and businesses linked to the Iran’s nuclear program and they included travel bans, asset freeze on individuals, front companies and banks (Starr, 2015).

On July 31st 2006, the UN Security Council passed resolution 1696 which stated that Iran should suspend all enrichment-related and reprocessing activities including research development and gave it a month to do so or face economic and diplomatic sanctions (UN Security council’s 5500th meeting). Iran refused and this led to the first round of sanctions in December 2006, the Security Council passed resolution 1737 which approved measures that included an embargo on materials and technology used in producing and enriching uranium, as well as in the developing ballistic missiles, and blocking financial transactions abetting the nuclear and ballistic-missile programs (Lin, 2011, p. 218). Furthermore, the UN Security Council endorsed the P5 and Germany with offers of diplomatic and economic incentives in order for them to join in making Iran suspend all its uranium enrichment

programs by August 31 but Iran's failed to comply, stating that it has the right to enrich uranium without external influence (UNs). The sanctions against Iran in 2007 (resolution 1747) and 2008 (resolution 1803) blocked non-humanitarian financial assistance to Iran and mandated states to check any cargo thoroughly if it is suspected of containing prohibited materials and included mostly financial sanctions (Yukhananov, et al., 2012;Laub, 2015). In addition, these resolutions were meant to strengthen the sanctions imposed on Iran in 2006. After all the sanctions imposed, Iran continued to ignore all international calls for an end to its nuclear program thereby making the UN pass resolution 1929 on June 9th 2010 which imposed additional sanctions on arms embargo and tightened restrictions on financial and shipping enterprises related to Iran's nuclear activities (Lin, 2011, p. 222).

The 28-nation European Union has gradually introduced tighter economic sanctions against Iran since 2007 in response to concerns about Iran's nuclear activities and they are mainly composed of sanctions against specific individuals, Iranian financial Institutions, import and export of petroleum products with Iran (Yukhananov, Grant , Croft, Kerry, & Nichols , 2012). The 2007 measures froze the assets of individuals and corporations that were connected to Iran's nuclear and ballistic-missile programs and banned the transfer of dual-use items. In 2010, the EU strengthened its sanctions regime further in order to be line with U.S. measures. The EU blocked European institutions from conducting any transaction with Iranian banks, including its Central Bank, and reduced trade and investment with Iran's country's energy and transport sectors, among others (Laub, 2015). In 2012, the EU announced that it will ban the import of Iranian crude oil and petroleum products. They stated that assets of Iranian central bank in the EU will be frozen and the trade the Iran in gold, diamonds and metals will be blocked (Levs, 2012).

2.3.1 The Temporary Deal

As time passed, the international community became more convinced that the Iranian nuclear program was a huge threat to the international peace and security. In 2011, Robert Eihorn who was a US state department's senior adviser for the non-proliferation and arms control said that Iran was moving closer to being able to produce and build a nuclear weapon. According to the IAEA's assessment, Iran's stockpile of higher-grade Uranium rose nearly 50% between August and November 2012 and was approaching the 250kg required to make an atomic bomb (Dahl, 2012). According to the institute for science and international security (ISIS), Iran could make enough highly enriched uranium for one atomic bomb in as little as four to six months at its largest Uranium enrichment facility Natanz (Solomon, 2012). New concerns emerged in 2012 about Iran's progress in developing nuclear weapons as a result of satellite images that detected Iranians trying to clean up the area and many suspected that they may be trying to get rid of radioactive traces that many have associated with testing of a nuclear trigger (Winter, 2012). Defying the international community further, Iran announced its intentions to use more sophisticated centrifuges that will allow more uranium enrichment of which many called this new

development a game-changer (Neuger, 2013). On November 23rd 2013, the P5+1 and Iran reached certain understandings that if adhered to halts the progress of Iran's nuclear program. The agreement was called an interim deal and it was set for 6 months which would give the world powers enough time to work with Iran on a more permanent solution to the crisis (Intelligence on Iran, 2016).

The deals states that if Iran commits to stopping the enrichment above 5%, neutralize its stockpile of near 20% uranium, halt progress on its enrichment capacity, the activities at Arak reactor and provide daily access to the IAEA inspectors at the Natanz and Fordow sites the international community would not impose new sanctions on Iran for at least 6 months and will suspend certain sanctions on gold and precious metals (The White House, 2013). The last details of this temporary agreement was finalized by January 2014 and most of the Iranian nuclear capabilities was supposed to be frozen after January 20th 2014 and Iran agreed to do this temporary halt in uranium production in exchange for sanctions relief totalling 6-7 billion US dollars (Gordon & Schmitt, The New York times, 2014).

The IAEA stated in its monthly reports that Iran was being cooperative in terms of scaling down its nuclear capabilities as the temporary agreement stated. However, problems between the P5+1 started when the deadline the IAEA placed on Iran to be open about the nuclear program passed without a word from them. Once again, world leaders realized that they would have to be tough on Iran as they have failed to submit reports with details of its experiments and studies related to the nuclear program to the IAEA (Intelligence on Iran, 2016).

By August 20th 2014, it was revealed that Iran had been conducting mechanical tests on a new centrifuge system. Iran claimed that its centrifuges were not for nuclear weapons but to replace the old ones that could cause accidents. However, it was discovered that the centrifuges in question were more advanced and could allow Iran come up with a nuclear weapon faster than before and the deal Iran struck with the P5+1 in November 2013 states that Iran could not conduct more centrifuge research and development programs in addition to the ones it had in place (Moghtader & Dahl, 2014). In response to this, the president of the United States announced new sanctions that were directed against organizations, bans and individuals suspected of helping the Iranian government in expanding Iranian proliferation program, support terrorism in the region and help Iran (Intelligence on Iran, 2016).

2.3.2 The Road to the Final deal

Negotiations between the P5+1 and Iran continued for months without both sides reaching a good compromise concerning the Iranian nuclear program. However as the final negotiations were approaching, it was clear that Iran had the upper hand as the US negotiators didn't want to return home to the congress without a framework for the deal congress by March 2015 as it was the deadline for negotiations however for Iran there was no such internal pressure (Hudson & Lynch, 2015).

The negotiators failed to complete a plan by March 30th but by April 2nd, it was announced that they have agreed to on the key parameters for resolving the Iranian nuclear issue. In this agreement, Iran

would not have the ability to produce weapon-grade nuclear materials, allow more international access to their nuclear facilities for inspections and in return, international sanctions would be lifted (Stanglin, 2015). Things took a different turn in the negotiations when Iran released their own factsheet with details of the framework agreement which was totally different from agreement that was announced by the White House. The factsheet released claimed that the agreement was for only 5 years and during this period, 10,000 centrifuges would continue to operate at Fordow facility and the rest of their non-operational centrifuges would be kept in the facilities in Iran instead of the UN-monitored facilities and all sanctions are to be lifted immediately once the agreement takes effect (Fars news agency, 2015). The Iranian prime minister stated that the document published by the White House the day following the conclusion of negotiations was false. He also pointed out Iran would not surrender to a policy of sanctions, bullying and pressure and the Iranian team would not sign any agreement unless all economic sanctions are lifted (The Iran Project, 2015).

On July 2015 after 20 months of negotiations, negotiators from the P5+1 and Iran announced that a comprehensive agreement aimed at limiting Iran's nuclear capabilities had been reached and it was called the Joint Comprehensive Plan of Action (JCPOA). (Intelligence on Iran, 2016). The agreement required Iran to reduce the stockpile of low enriched uranium by 98% by shipping the rest to Russia and shut down 2/3 of their centrifuges spinning at the Natanz facility. The negotiators concluded that these measures combined would extend the potential breakout of Iran from a few months to over a year (Gordon & Sanger, NY times, 2015). In the following months, the Iranian government would receive relief from international sanctions to help their economy and oil industry in return for limiting their nuclear program for over a decade. The deal was meant to free up about \$100-150 billion in frozen assets around the world and opened Iran up for business to the international community and financial networks (Intelligence on Iran, 2016). This agreement marked a breakthrough in the US-Iran relations 36 years after the Islamic revolution (Trone, 2016).

Despite the fact that the Iranian deal seemed to be going well, a lot of people were still very critical and skeptical about the deal. Those against the Iranian deal argued that a better deal could be made in order to restrain the Iranian nuclear program and compel better behavior in other policy fields (Wilson, 2015). A former inspector for weapons in Iran stated that the 24 day period given to Iran to grant access to IAEA officials was too long because the Iranians could easily get rid of the evidence as they are experienced at cheating. The Israeli Prime Minister Netanyahu also believed the deal was a mistake because Iran is going to receive a sure path to nuclear weapons. He went further to block the Iranian deal by meeting with 22 democrats from the US congress and tried to convince them that the Iranian deal would jeopardize global security and pave the way for Iran to acquire a nuclear weapon (Gordon & Sanger, 2015). Former US defense secretary Robert Gates who is also not very fond of the JCPOA acknowledges that the deal had to be accepted as negotiations had already been concluded. According

to him, if the US congress had blocked it, Iran would never trust another US negotiation team and other countries would most likely not return to imposing tough sanctions on Iran (Wilson, 2015). Graham Allison and others who were in favor of the deal argued that this deal was the best and killing this deal would deprive the US negotiators of bargaining power (Allison, 2015). On the Iranian side, criticism of the deal grew during the second week of August with conservative Iranian media rejecting the accord but the Liberals in Iran pointed out that lifting the sanctions will have a good effect on the Iranian economy (Intelligence on Iran, 2016).

2.3.3 The Final Deal – The Joint Comprehensive Plan of Action

Under the deal, Iran still has the ability to enrich Uranium for peaceful purposes. Iran was allowed to keep about 5000 centrifuges capable of separating the uranium-235 isotope from uranium ore. For the next 15 years, Iran agreed to refine no more than 37% enrichment which is the level needed to fuel nuclear power plants and to limit its enriched uranium stockpile to 300 kilograms (Trone, 2016). Under this agreement, Iran was meant to give international inspectors full access to suspicious sites within 24 days of their request and if Iran refuses their requests, international sanctions which cannot be vetoed by the UN Security Council would be put back in place (Intelligence on Iran, 2016). Iran promised not to enrich Uranium above 3.67% in the next 15 years and reduce its stockpile of low enriched uranium from 9000-300kg. Iran also agreed to reduce its installed enrichment centrifuges from about 19000-6104 of which only 5060 will be used in the next 10 years. All the centrifuges will not be advanced and Iran would gradually be allowed to increase its enrichment capacity between the 10th and 13year with the introduction of advanced centrifuges (World-nuclear.org, 2016).

On October 13th 2015, the Iranian president approved the JCPOA with 161 members in support of the deal, 59 against and 13 abstaining. In November 2015, Iran began the implementation of the JCPOA by taking their centrifuges offline. The IAEA board report released in November showed that Iran had begun making good on their promise to reduce their nuclear program as Iran's scientists had cut down the amount of centrifuges at the Fordow facility by 3000 (Sharafedin, 2015). After the UNSC received a report from the IAEA stating that Iran had complied with the terms of the JCPOA there was an automatic end to most of the UN sanctions placed on Iran under the UNSC resolution which states that all the UNSC sanctions against Iran should be removed once all the steps to implement the agreement is completed. As the JCPOA took effect, the United States welcomed Iran back into the international economy on January 16th 2016 by lifting economic sanctions (Intelligence on Iran, 2016).

2.4 The Effects of Economic Sanctions on Iran

Iran is one of the main exporters of oil and national gas and this makes Iran integrated into the international economy. This alone, gives the sanctioning countries a lot of leverage over Iran and this in turn made the effects of economic sanctions on Iran quite severe (Wertz & Vaez, 2012, p. 5). Economic sanctions against Iran have been maintained over time and they show the stand the international

community takes against the policies of the Iranian government. The US government officials argue that target sanctions slowed down the expansion of Iran's nuclear program and without sanctions and other pressures, Iran would have had a nuclear weapon by now (Dolinon, 2011; Albright, et al., 2012). This is true to a certain extent because economic sanctions limited the ability of Iran to obtain centrifuge materials which made it to rely on smuggled materials.

International sanctions significantly weakened Iranian economy which initially suffered from mismanagement and corruption. According to the estimates made by the US, Iranian oil exports decreased by over 40%, inflation rates became high, unemployment was over 17% as a result of loss of oil income (Torbaty, 2012). This led to layoffs in most companies as 500,000 to 800,000 Iranians lost their jobs and small to medium size businesses packed up (Esfandiary, 2012). The EU embargo and measures taken by Japan, South Korea, India and Turkey to cut their purchases of Iranian oil affected Iran's hard currency. In 2012, the IAEA reported that Iran was selling about 1 million barrels of oil per day and this was less than what was being sold previously. In order to avoid US sanctions placed on Iran's central bank India and China started buying goods for Iranian oil thereby depriving Iran of money. The reduction of hard currency in Iran caused the Iranian rial to lose its value by 40% from September 2011- October 2012 (Leurs, Bieri, & Lewis, 2012).

Those in favor of economic sanctions against Iran argued that they have caused the revenue gotten from oil to reduce and this disrupted its trade with neighbouring states thereby reducing its influence in the region. Again this was not totally true because Iran was still able to provide support such as money and weapons to Hezbollah, Shiite militias in Iraq and militants in Afghanistan (Bruno, 2011). Iran was even still able to send members of the Islamic revolutionary guard corps (IRGC) to advise and fight with Assad against his domestic opposition. This is mostly because Iran's influence and strength in the region and the loyalty it enjoys from some of these violent non-state groups are not based on finances but on religious, historical, cultural and ideological ties (Leurs, Bieri, & Lewis, 2012). Iran was also banned from using the SWIFT which is an electronic banking system and it hit the Iranian financial system very hard because, before 2012, Iran's SWIFT transactions in Europe were over \$35 billion (Catano, 2015).

The Iranian elites were surprised at how Iran's supposed allies failed to help reduce the effects of economic sanctions on Iran despite their religious, cultural and historical ties. For example, Kuwait cut their gasoline sales to Iran in order to comply with America's comprehensive Iran's sanctions accountability divestment act (CISADA). Saudi Arabia who perceived Iran as a rival in terms of oil took advantage of the sanctions placed on Iran by reducing the price of oil for those who reduced their purchases from Iran (Leurs, Bieri, & Lewis, 2012). Despite these setbacks, Iran was able to make up for its losses by creating economic ties with other countries in the region. Iran was able to expand its trade with Iraq and became its second biggest largest trading partner (Folkeson, 2012). Pakistan also resisted US pressure to break its commitment to build a gas pipe line with Iran. Turkey also started buying gold

to use as a currency to buy oil and gas from Iran¹. Turkey sold Iran \$6.4 billion of gold in the first quarter of 2012 which accounted for the rise of Turkey's total trade in Iran by 50% in 2012 (Parkinson & Peker, 2012). In addition to these new trade patterns, there was an expansion in the black market and an increment in illicit cross-border trade between Iran and its neighbours which made the clandestine ties strong where open market ties have weakened (Leurs, Bieri , & Lewis , 2012, p. 31).

Before 2010, economic sanctions placed on Iran were not so hard due to lack of full support from the international community. When the economic sanctions became more comprehensive in 2010, the standard of living and wellbeing of the Iranian population deteriorated, food, medicine and other human necessities became scarce and limited. Economic sanctions also reduced the reserves in Iran thereby leading to cutbacks in social welfare and public services (Leurs, Bieri , & Lewis , 2012, p. 32).

When the Iranian nuclear program was discovered and sanctions were discussed, the west stated that the sanctions were all about making Iran stop its nuclear program. They were supposed to be smart sanctions but it is clear that the effects of these sanctions on the Iranian population prove otherwise (Esfandiary, 2012). The economic sanctions imposed on Iran were supposed to be “smart”, exempt humanitarian goods and avoid harming the Iranian population, however, these sanctions were still able to cause immense suffering to the Iranian population and alienate the Iranian public (Leurs, Bieri , & Lewis , 2012, p. 35). For example, the US and its allies imposed targeted sanctions on certain individual and companies in Iran. This move was meant to narrow the effects of economic sanctions to just those responsible for sponsoring the nuclear program. However, this was not the case as one of the major banks in Iran – Bank Mellat – which had over 1800 branches and 25000 employees were affected which made a lot of employees lose their jobs (Gordon J. , Foreign policy in focus, 2010). In addition, the office of the US treasury department office (OFAC) permits the export of humanitarian goods to Iran but most US firms are not willing to go through the licensing process that is required and they also hold back from doing transactions with any Iranian bank due to fear of US penalties (Bozorgmehr, 2012). Joy Gordon argued the sanctions imposed on Iran were not really smart because they targeted parts of the economy that made life unbearable for the ordinary Iranian citizen. To her, smart sanctions were supposed to target the equipment that was made to convert domestic nuclear facilities to weapons production (Gordon J. , Foreign policy in focus, 2010).

The Iranian population was also badly affected by the economic sanctions because their main source of revenue the energy sector was targeted by sanctions which ended up affecting the price of everything in Iran making resources like food unavailable for the poor (Esfandiary, 2012). The funds for the military sector in Iran was also targeted but this affected all the other public services was funded by the state. This made civil servants lose their jobs and made educational materials, medicines for schools

¹ A Practice that was encouraged by Iranian business men who wanted to exchange hard currency for gold (Leurs, Bieri , & Lewis , 2012).

and health clinics limited (Gordon J. , Foreign policy in focus, 2010). The scarcity of these resources to the average Iranian made them more dependent on the government agencies for public services and social welfare. Therefore, this dependency increased the power and influence of the Islamic Revolutionary Guard Corps (IRGC) and other government agencies which lead to more corruption and lack of accountability (Solingen, 2012 , p. 20). Economic sanctions reduced the transparency of the Iranian economy. The longer the sanctions were imposed, the more control the Iranian government had over economic transactions especially through the black market. Sanctions also helped the Iranian regime including the IRGC get public support by pointing out that the sanctions placed on Iran was a US-led aggression and economic warfare. Sanctions also increased the IRGC's control over the Iranian system thereby shrinking the voice of the civil society (Worth, 2012).

A huge factor that contributed to making the Iranian sanctions work was the 2012/2013 elections in Iran. Most Iranians have been suffering as a result of the sanctions and all they wanted was a leader that would put an end to these sanctions. When President Hassan Rouhani was campaigning, he promised that he would negotiate with the major powers imposing sanctions in order to make the Iranian economy better. He kept his promise and was able to negotiate a deal with the P5+1 and Iranian assets released. With some economic reforms and the sanctions relief, he was able to make the Iranian economy better (Laub, 2015)

2.5 The Effects of Economic Sanctions on the West

The economic sanctions placed on Iran created new international patterns of trade that were harmful to the US, European and regional economies. They were harmful because they imposed direct and opportunity costs on all parties, however, this can be seen as a means to an end because it pressured Iran into changing its policies. An example of the opportunity cost of sanctions is that Iran excluded US and allied firms from potentially lucrative business opportunities in Iran (Leurs, Bieri , & Lewis , 2012, p. 8).

As global energy firms pulled out of the Iranian energy market, an opportunity presented itself to some IRGC firms, Vietnam, China, Belarus, Malaysia, Ukraine and other countries that were willing to ignore the US sanctions and Iran welcomed investments from these countries. These economic relationships which are also known as the "Asianization of Iran" may have negative effects on the economies of Europe and the US (Blackwill, 2012). This is because Iran has been a very important market for Europe with a purchasing power GDP of \$1 trillion and the long term effect of this market could be bad as a result of China and India taking over the market. Also, it may be difficult for relations between Iran, US and Europe to normalize even when the sanctions are lifted (Hua & Lawler, 2012).

The fast increment in unofficial black market trade between Iran, Afghanistan, Iraq and Turkey was a setback on American efforts to isolate the Iranian economy (Rosenberg & Lowry, 2012). In addition to this, the economies of those states involved in the black market trade are at risk. For example,

in Afghanistan, corruption and cross-border smuggling strengthens the drug trade and weakens the Afghan state (Bezhan & Sadar, 2012). As the sanctions against Iran increased, tensions among sanctioning countries increased. Russia and China were against the US-led efforts to pressure Iran by harming the Iranian economy. This development led to disharmony in the Security Council concerning other issues (Leurs, Bieri, & Lewis, 2012, p. 15).

Despite all the setbacks, the sanctions regime against Iran is a test of whether non-military forms of pressure can help change the policies and actions of adversaries. The political unrest and the discomfort of the elites which led Iran to make a deal with the P5+1 shows that economic sanctions made a huge contribution to the peaceful resolution of an international standoff and also proves that non-military forms of pressure can be used to change the behaviour of states (Leurs, et al., 2012). The case of Iran also shows that economic sanctions take time to work. Since the Iranian revolution in Iran, the US and its allies have imposed series of sanctions with different aims. For most of the three decades, Iran was able to withstand the effect of these sanctions and even benefited from it by developing its domestic industries and making new allies. It took years for American policy makers to create a sanctions framework that was able to break Iran's resolve forcing Iran had to make concessions (Maloney, 2014).

Chapter 3 – Economic sanctions imposed on North Korea for its nuclear program

North Korea has proven to be a big challenge to the global non-proliferation regime. It was the only country that withdrew from the NPT, the only country that tested nuclear weapons in the 21st century and possesses the third-largest chemical weapons stockpile in the world amongst others that the international community is yet to find out about (Filzpartick, 2012, p. 1).

For decades, the US and the international community have desperately tried to bring North Korea's development of nuclear and missile development technology to an end by using military cooperation with its allies in the region, economic sanctions, diplomatic efforts and non-proliferation mechanisms but these efforts have been futile so far thereby making North Korea a major challenge to the international nuclear non-proliferation regime (Davenport, 2016). The Democratic people's republic of North Korea is one of the most heavily sanctioned countries in the world as a result of Pyongyang's refusal to suspend its nuclear weapons program [(Berger, 2015).

The US and its allies have imposed sanctions on North Korea for different reasons since the Korean War. This chapter shows the relationship between North Korea and the international society and how it affects the effectiveness of economic sanctions. This chapter provides a history of the root of the problem i.e. the nuclear program, the reasons behind the nuclear program and the ways the US and its allies have used to tackle it over the years. This is important because it gives the reader an idea of why economic sanctions are imposed on North Korea. The sanctions on North Korea have not yielded results and this chapter addresses why the sanctions are being imposed on Pyongyang, why these sanctions have not been effective and the different ways to improve their effectiveness.

3.1 North Korea and the Nuclear Non-Proliferation treaty

After a lot of pressure from the Soviet Union, North Korea joined the NPT in 1985 in exchange for Soviet Union's assistance in constructing 4 light water reactors (Nuclear threat initiative, 2016). However, North Korea failed to complete a nuclear safeguards agreement with the International Atomic Energy Agency (IAEA). This was against the NPT because in article III of the NPT North Korea is supposed to conclude this agreement within 18 months of joining the NPT (Davenport, 2016). Due to pressure from the international community, North Korea finally agreed to sign the nuclear safeguards agreement in 1992 and in May of the same year, the IAEA sent their team to conduct its first international inspection of the Yongbyon nuclear facility (Mansourov, 1995, p. 28). Under this agreement, North Korea is to provide an initial declaration of its nuclear facilities and materials and provide full access to the IAEA officials in order for them to verify the validity of North Korea's Initial declaration ("Joint Declaration of South and North Korea on the Denuclearization of the Korean Peninsula," Inventory of International Nonproliferation Organizations and Regimes", 2016) However, no matter how much North Korean scientists tried to prove that were fully complying with the international norms and show their lack of knowledge and understanding of some technological processes, the IAEA was still suspicious of their actions based on past experiences (Mansourov, 1995, p. 27). These confrontations between the IAEA and the Democratic Republic of North Korea (DPRK) eventually led to North Korea's decision to withdraw from the NPT in March 1993.

The UNSC responded to North Korea's intention to leave the NPT by passing resolution 825 in 1993 which urged the North Korean government not to withdraw from the NPT and to honor its non-proliferation obligations under the treaty (Davenport, 2016). The USA also responded to this development by requesting to conduct negotiations with North Korea on nuclear matters on behalf of the UNSC. The US president Jimmy Carter traveled to Pyongyang to meet Kim II Sung and when the negotiations were over, the US and North Korean negotiators signed a four-page agreed framework on the nuclear issue. In accordance with this agreement, the DPRK froze its nuclear program on November

1st 1994 and agreed to adhere to the IAEA safeguards and inspections and in return, the US promised to transfer two 1,000 light water reactors (Kimball & Davenport, 2004)).

Under this agreement, North Korea agreed to freeze work the work at the gas-graphite moderated reactor, its related facilities, allow the IAEA to monitor this freeze, take steps to implement the north-south joint declaration on the denuclearization of the Korean peninsula and remain part of the NPT (Nuclear threat initiative, 2016). In return, the US promised not to use nuclear weapons against North Korea, construct two light water reactors and provide 500,000 tons of fuel oil per year until the reactors came online in 2003 (Riding, 1994). This framework also led to the creation of the multi-national Korean peninsula energy development organization (KEDO) to assist North Korea in developing energy related projects that didn't go against the principles of the international nuclear nonproliferation efforts (Davenport, 2016).

The agreed framework was effective for almost 10 years but the US and North Korea were not happy about the results of the agreement. North Korea was not happy that the construction of the LWR was being delayed and the US was not satisfied with the safeguards inspections carried out in order to verify the past activities of DPRK (Nuclear threat initiative, 2016). This agreement collapsed in 2002 and North Korea withdrew from the NPT on January 10th 2003. The IAEA board responded to this action by pointing out that North Korea wasn't complying with its nuclear safeguards obligations and by referring the matter to the UNSC (IAEA document, 2003). When the withdrawal went into effect, the UNSC discussed the matter and declined to consider a resolution or sanction North Korea because of the veto power of Russia and China (Rennack, 2006, p. 7)

In April 2003, multilateral talks (the six-party talks) started between China, Japan, North Korea, the United States, Russia and South Korea (Niksich, 2005, p. 3). The aim of the six-party talks was to denuclearize the Korean Peninsula and convince North Korea to rejoin the NPT. The first rounds began in August 2003, the second round in February 2004, the third round in June 2004 and the 4th round was delayed until September 2005 as a result of tensions between North Korea and the USA (Nuclear threat initiative, 2016). There was an important breakthrough in 2005 and this produced an agreement in which North Korea finally agreed to abandon all its nuclear weapons, existing nuclear programs, return to the NPT and readmit the IAEA inspectors. The other states in the six-party talks would provide North Korea with new security commitments including electricity from South Korea. Long term commitments was the US taking steps to improve relations with North Korea and the other signatories considering taking steps to provide a lighter-water reactor to North Korea (Rennack, 2006, p. 4).

In February 2007, North Korea agreed to follow the Joint agreement by abandoning its existing nuclear program and returning to the NPT regime. The agreement stated that North Korea had to shut down, seal its main nuclear facilities and declare its nuclear facilities within 60 days under the IAEA's supervision. North Korea started shutting down its nuclear program and also tried to revive its

relationship the IAEA agency but failed to meet the 60-day deadline (Nuclear threat initiative, 2016). North Korea declared its nuclear facilities after 6 months and although there were hurdles North Korea managed to maintain a cordial relationship with the international community in terms of its nuclear program. However, this relationship and the six-party talks broke down in 2009 as a result of a dispute over rocket launches. North Korea vowed never to return to the six-party talks and made it clear that the DPRK is no longer bound by any agreements made in these talks (Davenport, 2016).

When Kim Jong IL died in 2011, the world began speculating what this development meant for the North Korean nuclear program and the six-party talks. Bilateral talks were conducted between the US and North Korea and North Korea agreed to suspend its nuclear and long range missile tests in exchange for food aid (Myers & Sang-hun, 2012). However, this didn't hold for long because the US discovered that North Korea was violating UNSC 1718 and 1874 by using a rocket to launch a satellite into orbit and according to the US, the rocket used was not different from a long-range missile (Ramstad & Meckler, 2012). This development led North Korea to announce that it was restarting its JMQ graphite – moderated reactor and uranium enrichment plant at Yongbyon (Nuclear threat initiative, 2016).

In December 2015, the president of North Korea Kim Jong claimed to have thermonuclear capabilities but the international community doubted his claims despite the insistence of Kim Jong that the nuclear tests done in January 2016 was with a hydrogen bomb (Beauchamp, 2016). These tests were condemned by the international community and even North Korea's old ally China was in support of the recent sanctions imposed on North Korea (Gladstone & Sanger, 2013). In February 2016, North Korea launched a satellite into space and claimed that this launch was just for peaceful purposes. However, the UN secretary, Ban-Ki Moon said the launch violated the UN Security Council resolutions and the South Korean government called this act a threat to world peace (Kwon, Starr, & Scuitto, 2016)

3.2 The North Korean nuclear program

North Korea's interest in nuclear weapons dates back to the end of WWII and so far, North Korea has developed a nuclear fuel cycle capability and has both plutonium and enriched uranium programs capable of producing fissile materials. In addition, North Korea is also able to deploy short and medium range ballistic missiles. The DPRK has had an active nuclear weapons program till today that has tested nuclear explosive devices in 2006, 2009, 2013, 2016 and 2017.

There are certain events that have shaped the interest of nuclear weapons among the North Korean leaders. The first event was when America bombarded Japan with an atomic bomb and Japan surrendered after only 2 days. The second experience was during and after the Korean War, during the Korean War, Kim II Sung felt very vulnerable because he discovered that the US was contemplating on using Atomic bomb against Korea in order to stop North Korea's progress in the war (Mansourov, 1995, p. 27). This is probably why DPRK sought the Soviet Union and China as an ally in 1961. However, Kim II Sung

begun to doubt the loyalty of its allies especially when the USSR abandoned Cuba during the Cuba missile crisis for its security interests. This made him doubt the reliability of his allies in crisis and reevaluate the nuclear policies in North Korea.

Another major event that contributed to the development of nuclear weapons in North Korea was when Kim II Sung felt betrayed because it was discovered that South Korea was developing nuclear weapons and the obvious target was his regime (Shin, 1996, p. 102). This event prompted Kim II Sung to order the DPRK's academy of sciences, ministry of public security and the Korean's people's army to start a joint nuclear weapons development program in the 70's. These events show that it was Kim II Sung's paranoia, insecurity and feeling of betrayal that led him to authorize the development of the DPRK's nuclear program which is still in existence till today (Mansourov, 1995, p. 29). The last and probably the most significant event is the collapse of Soviet Union.

In the early 1950's North Korea started developing the institutional capability to train personnel for its nuclear program and December 1952 the government established the atomic energy research institute and the academy of sciences but nuclear work only began when North Korea signed cooperative agreements with Soviet Union (Nuclear threat initiative, 2016). DPRK signed the charter of the Soviet Union's joint institute for nuclear research in February 1956 and started sending scientists and technicians to the USSR for training. North Korea and the Soviet Union also signed an agreement on the peaceful use of nuclear energy in 1959 which provided it with the Soviet Union's assistance in establishing a nuclear research complex in Yongbyon (Chae, 1994, p. 5). In the 1960's the Soviet Union helped North Korea in constructing the Yongbyon nuclear research center which included the installation of a Soviet IRT-2000 nuclear reactor amongst others (Byeong-gu, 1999). In the 1960's North Korea increased its educational and research institutions in order to create a nuclear program for both military and civilian applications.

From the time North Korea split up till the collapse of Soviet Union, Moscow was an important ally that provided military support, economic aid, and security assistance amongst others. Therefore, when the Soviet Union started collapsing in 1989 and later dissolved in 1991, nuclear weapons development made more sense to North Korea. China was somehow able to fill this void but North Korea believed that China had no real affection for it and was not able to provide the same protection that Soviet Union did (Beauchamp, 2016). This is why the origin of North Korea's modern nuclear program can be traced to 1989 (Wit & Ahn, 2015, p. 4). North Korea's nuclear program also expanded in the 80's especially with the development of uranium mining facilities, fuel rod fabrication complex and 5MW (e) nuclear reactor. North Korea also started experimenting with the high explosive tests required for building a triggering mechanism for bombs (Nuclear threat initiative, 2016).

Presently, North Korea has one of the largest ballistic missiles forces in the world. It is believed that North Korea possesses more than 600 short range Hwa-song-5/6 missiles and about 100 medium range No-dongs (Filzpartick, 2012, p. 4)

3.3 North Korea and Economic Sanctions

The Korean War began on June 25th 1950 when about 75,000 troops from the Northern part of Korea went across the boundary between the Soviet Union backed democratic People's Republic of Korea and the pro-western republic of Korea (History.com, 2009). Three days later, the United States imposed a total embargo on the exports to North Korea followed by President Truman's announcement on December 16th 1950 which imposed more economic sanctions on North Korea (Semoon, 2006, p. 26). After a few days, the US treasury department issued foreign assets control regulation (FACR) to forbid any financial transactions involving or on behalf of North Korea (Rennack, 2006). This was the beginning of unending sanctions against North Korea from the US and later the international community.

Most of the sanctions imposed on North Korea by the UN have been mainly to prevent the proliferating nuclear, chemical or biological weapons and delivery systems (UNSCR 1540) as well as transactions involving technological materials or financial resources connected to its weapons of mass destruction (WMD) and its missile programs (Berger, 2015, p. 1). The UNSC has passed 8 major resolutions since 2006 that impose and strengthen the economic sanctions against North Korea for continuing its nuclear program, make them dismantle their nuclear program, re-join the nuclear non-proliferation treaty, return to negotiations in the six-party talks and stop their ballistic missile tests. The first two resolutions was passed almost immediately after North Korea's missile tests in 2006 and 2009. The third resolution was a month after DPRK launched a satellite successfully in 2012 and the fourth was passed after DPRK's nuclear test in 2013. The 5th and the 6th was on March 2016 after a nuclear test and satellite launch in January (Davenport, 2013; Sengupta & Sang-hun, 2016). The 7th was adopted in August 2017 after the testing of two intercontinental ballistic missiles and the 8th was created as a reaction to North Korea's 6th nuclear test in September 2017 (Philips, 2017) All 8 resolutions are legally binding and was passed unanimously by the Security Council under chapter VII, article 41 of the UN charter.

Unlike the USA, Japan, South Korea, China the EU doesn't play a huge role in the issue of the North Korean nuclear program. This is probably because the EU doesn't have a lot at stake, unlike the other parties. However, it should be noted that the EU supports the Six-party talks and the total dismantling of the North Korean Nuclear program (Filzpatrick, 2011). The first EU sanctions were imposed in 2006 in reaction to North Korea's test of a nuclear device. The EU has banned the provision of new DPRK bank notes and any financial support that could be used for nuclear weapons or WMD. The EU has also increased the monitoring of banks in the DPRK that work with the EU financial institutions (Bajpai, 2015).

On July 5th 2006, North Korea test-launched seven ballistic missiles thereby disrupting the status quo. The UNSC responded to this by adopting resolution 1695 that condemned all the multiple launches, demanded North Korea to return to the status quo and asked all member states to be vigilant, prevent missile and missile-related items, goods and technology being transferred to North Korea's missile of WMD programs (UNSC Resolution 1695, 2006). On October 8th 2006, North Korea announced that it has tested a nuclear explosive device and in response, the UNSC adopted resolution 1718 on October 14th. This resolution required the member states of the UN to prevent supply of weapons and related items to North Korea and luxury foods amongst others (Rennack, 2006, p. 3). DPRK tested nuclear weapons in 2009 and the UN condemned this act by imposing financial sanctions on 3 North Korean firms that were involved in the North Korean nuclear program as it was a violation of UN resolution 1718 (Davenport, 2016). North Korea also tested its nuclear weapons in 2013 and unilateral sanctions were passed by the international community banning luxury goods, imports, exports and financial transactions. In March of the same year, the US government imposed more sanctions on North Korea by freezing any financial transactions between DPRK and all institutions of American Interests (Megaloudi, 2015).

Resolution 2270 was voted in by the Security Council on March 2nd 2016 in reaction to North Korea's nuclear test and missile launch on January 6th and February 7th which was against the current international sanctions. On the 30th of November 2016, the UN adopted resolution 2321 after North Korea carried out its 5th nuclear test on September 9th. This resolution urged all UN members to reduce the number of staff at all North Korea's diplomatic missions and consulates, condemn North Korea for engaging in the production and use of nuclear weapons and urge DPRK to prioritize the welfare of its citizens. The sanctions imposed in this resolution encouraged member states not to sell items like helicopters, copper and statues to North Korea. Another resolution (2321) was adopted on August 5th 2017 and its aim was to prevent North Korea from earning \$1billion each year. It prevented DPRK from exporting coal, Iron, Iron ore and sea food. Resolution 2375 is the most recent resolution passed on North Korea. It was passed on September 3rd 2017 and its goal was to cripple North Korea's oil imports, textile exports and labourers overseas (Philips, 2017).

The aim of these sanctions is to cripple parts of the North Korean economy that are funding the nuclear and ballistic missile programs (Roth, 2016). These sanctions also aim to be more comprehensive than any other UN sanctions regime in the last 2 decades. According to Reuters, two council diplomats anonymously stated that the recent UN resolutions make the sanctions regime of Iran look like a joke. North Korea responded by stating that the sanctions regime was a great challenge to the sovereignty of DPRK (Charbonneau & Nichols, 2016).

3.4 The Effects of Economic Sanctions in North Korea

The current sanctions regime have not only failed to stop the nuclear program in North Korea and the continuous human rights violations of the North Korean population by the regime, they are also violating the rights of the humanitarian NGO's trying to help the situation of the population (Campbell, 2013). For example, in 2013, the humanitarian groups faced a lot of problems when the Bank of China decided to go with US sanctions and cut its trade with North Korea's foreign trade bank and this was where the embassies, UN agencies and foreign organizations got their funds from. The humanitarian groups had to resort to carrying suitcases filled with cash from outside the country and when things got too difficult some humanitarian agencies began to feel like they might be forced to suspend their operations (The Guardian, 2013).

International sanctions have made it very difficult for North Korea to acquire foreign exchange and finance its trade deficit. Under the tenure of former South Korean president Lee Myung-bak, food aid to North Korea was discontinued until it suspends its nuclear program and other foreign aid was discontinued. This affected the North Korean population badly because the DPRK agricultural system is not capable of feeding the whole population due to unfavourable conditions (Wagner & Schlangen, The National Bureau of Asian research, 2012).

The UN sanctions imposed in North Korea have always been blamed for hindering the productivity of DPRK sectors like Agriculture, food availability and legitimate trade. However, a former UN panel of experts' member William Newcomb argues that the current sanctions used in North Korea are targeted sanctions. He also stated that the UN sanctions being imposed In North Korea are not designed to hurt the hurt the Korean economy but the leaders (Byrne, 2015). Most analysts also agree that the most effective way pressure North Korea into suspending its nuclear program is to impose economic sanctions that target lifestyle of the elites. For example, imposing financial transactions put an end to all bank transactions related to North Korea's weapon trade and halting most grants and loans would effectively freeze many North Korean bank accounts overseas. This would cut off the funds that the regime's leader uses to secure the cognac, Swiss watches and other luxury items used to buy the loyalty of his elites (Flacker & Sang Hun, 2009). Smart sanctions imposed on North Korea is aimed at disrupting the international supply and personnel network in order to cause the discomfort of the elite rather than causing pain to the innocent North Korean population. However, targeted elites have been able to evade these sanctions (Wertz & Vaez, 2012, p. 10).

Despite the claim that the sanctions imposed on North Korea are "smart", they still affect the commoners than they hurt the elites. However, the North Korean elites still feel with Pinch of the targeted sanctions and will have to live without a few luxury goods but according to Sam Cho, these elites prefer living without these luxuries to a collapsed regime. These sanctions would also lead to more famine and starvation among the common people, more people in labour camps and the expansion of the black market (Cho, 2016).

3.4.1 The Effectiveness of Economic Sanctions in North Korea

History has demonstrated that economic sanctions do not work on North Korea and given the most recent nuclear tests, it is very evident that these sanctions have done very little to persuade the DPRK's government to slow down its nuclear program (Cho, 2016). Since 2006, the UN and the US have continuously imposed sanctions on North Korea in response to its nuclear tests. However, the impact of these sanctions has been in question because North Korea still continues to conduct its nuclear tests despite these sanctions (Kim, p. 90). As stated earlier, these sanctions imposed are meant to pressure to DPRK's government into suspending its nuclear program, reversing its withdrawal from the NPT and the IAEA safeguards (Dominguez, 2016). Every time the UN or the US imposes sanctions on North Korea, they always say that it would bite them hard but North Korea always responds to these sanctions with more violations of the international law and nuclear tests (Charbonneau, 2013).

North Korean threats and weapons tests followed by US-led sanctions and short term deals have become a much-known pattern in the international community's response to North Korean nuclear program (Flacker & Sang-hun, 2009). For more than 25 years, North Korea's nuclear tests follow a worn-out pattern in order to ease the effects of these sanctions. North Korea has periodic provocations, gets condemned by the international community then calls for peace talks and the US responds diplomatically. This repeated strategy has made the US and regional powers give North Korea billions of dollars in return for denuclearization. The DPRK's government probably believes that this pattern works against democratically elected leaders when they term is coming to an end (Wagner & Schlangen, 2012).

3.4.2 The Ineffectiveness of Economic Sanctions in North Korea

The case of North Korea and economic sanctions has left analysts puzzled because they seem not to be working to matter how hard the sanctions become. Some analysts believe that a major reason why North Korea is bent on developing nuclear weapons could be because it feels insecure in an international system that has been hostile since it was established in 1948. Sung-Yoon Lee and Joshua Stanton argues that the UN and U.S. sanctions on North Korea have failed to make North Korea suspend its nuclear weapons program. Four US presidents –two from each party – have tried to negotiate with North Korea but have all failed. However, Joshua De Thomas disagrees with them stating that are both undermining the efforts of the American leaders as they all came with different strategies but ended up failing and maybe the problem is not USA's approach but the problem might be North Korea's limited diplomatic approach (Thomas, 2016). Lee and Stanton also argue that until Washington applies enough financial pressure on North Korea to threaten its survival, it would not have enough leverage for diplomacy to work. For example, Kim Jong UN's regime off shore hard currency reserves and income with financial sanctions (Lee & Stanton, 2016).

To De Thomas, these sanctions would not work as North Korea already finds it difficult to move money in the international system because of the existing UN and US sanctions and even if these sanctions managed to stop these funds North Korea barely cares about its population and would squeeze out money from the economy and let the people suffer. Despite all this, there not enough information about the finances of the DPRK, therefore, their finances cannot be targeted (Thomas, 2016). Another reason for the ineffectiveness of sanctions against North Korea is because the Kim Jong UN's regime lacks transparency and has a tight hold on its media thereby making it difficult for Washington and the UN to have access to information that would help in making North Korea suspend its nuclear weapons (Chalett-Avery, Rinehart, & Nikitin, 2016, p. 10). Another reason for the failure of economic sanctions is that the sanctioning countries lack a common goal. For example, the US aim is non-proliferation of nuclear weapons in North Korea, China's main aim is to maintain its buffer zone and Japan's main priority is to protect is national security. The lack of a common goal one of the major reasons why the six-party talks were not able to make North Korea make concessions (Cho, 2016)

Along with most analysts, Snyder, Charbonneau, De Thomas, Stanton and Lee agree that one of the major factors affecting the ineffectiveness of economic sanctions in North Korea is China's lack of cooperation with the US and UN sanctions on North Korea. US policy and the UN sanctions largely depend on China's cooperation to work. China accounts for 70% of North Korea's total trade and provides food and energy for the regime (Chalett-Avery, Rinehart, & Nikitin, 2016, p. 5). The issue is China argues that it would not join the UN to impose tough sanctions on North Korea because it might make North Korea collapse and sanctions are meant to induce negotiations, not regime change or collapse (Snyder, 2016). However, the real reasons why China is always reluctant to impose full sanctions on North Korea is because if North Korea collapses, a lot of refugees would come to China, how the vacuum would be filled if North Korea collapses as North Korea acts as a buffer Zone between China and the western South Korea (Charbonneau, 2013; Chalett-Avery, et al., 2016). The non-proliferation of nuclear weapons is of secondary value to China as it values its economic and strategic goals more (Wertz & Vaez, 2012, p. 9). Although recently, China has finally agreed to join the US in imposing sanctions on North Korea but most analysts doubt if China would fully implement the sanctions against North Korea (Cho, 2016).

According to Stanton and Lee, if China still refuses to cooperate, the US should use its financial institutions to impose sanctions on DPRK. Despite the fact that China holds the power put pressure on DPRK, the USA still has the power to regulate and block majority of the transactions denominated in dollars. According to Stanton and Lee, the main reason why sanctions in North Korea hasn't worked is because the US hasn't applied enough pressure on the North Korean regime and made use of its financial power (Lee & Stanton, 2016). In addition, financial sanctions have the ability to affects both illegitimate and legitimate transactions. These sanctions can be more effective than imposing trade sanctions because

the US has virtually no trade ties with North Korea and US dollar is very vital to financial service companies in North Korea (Wertz & Vaez, 2012, p. 10).

This chapter has shown why and how economic sanctions have been imposed on North Korea. It also shows the effects these sanctions have had on North Korea and how these effects have contributed to helping the US achieve their foreign policy objectives. The case of North Korea has shown that the US and its allies have desperately tried to make Pyongyang suspend its nuclear program. These efforts have obviously not yielded results because North Korea has been doing the opposite of what economic sanctions are supposed to achieve. This also shows that there are certain factors that affect how sanctions put pressure on policy makers to make concessions and the US and its allies have to take advantage of those factors in order to make economic sanctions effective.

4.1 Conclusion

This study shows how effective economic sanctions are in changing policies of the target state. Previous research done on economic sanctions show that after the horrible effects of WW1, states realized that using military means to achieve their foreign policy goals caused a lot of catastrophes. Since then, economic sanctions have gained popularity as a foreign policy tool, sparingly used from 1920's till 1990's and later became frequently used after the Cold War. Economic sanctions became an alternative to military force and is seen as a middle ground between diplomacy and war. Governments and international organizations use economic sanctions in order to alter policies of states or non-state actors that violate the international principles and norms or threaten their strategic interests (Masters, 2015). These sanctions became popularly used because states and international organizations believed that they could effectively enforce international law and prevent international conflict without the use of military force. The main goal of economic sanctions is usually to impose costs in order to change the political behaviour of the target, for example, the US, EU and its allies imposing sanctions on Russia in order to make Russia (target) withdraw its forces from Ukraine (Oxenstierna & Olsson, 2015, p. 24).

Despite the popularity of economic sanctions among policy makers, most analysts and international relations experts argue that they are ineffective as they didn't stop the conflicts in Somalia, the Balkans, Angola, Liberia and Rwanda. Instead of making the authoritarian regime weak, economic sanctions increased nationalism and supplied the regime with enough resources to bribe the elites just to stay in power. In addition, the sanctions imposed on Iraq in the 1990's did not only prove how ineffective economic sanctions were, they also showed that these sanctions caused a lot of harm to the civilian

population. (Usobiaga, 2015). The sanctions imposed on Iraq increased starvation, child mortality and crippled the economy while the real culprits escaped without a scratch.

Once policy makers realized that these sanctions weren't effective in achieving their goals and the people economic sanctions affect had no ability to change the objectionable policies, they started looking for a way to upgrade economic sanctions. They came up with "smart" economic sanctions which targeted those (ruling elite) who had the ability to affect the policies in question while avoiding unintended consequences. Smart sanctions were supposed to be everything conventional sanctions were not; exerting pressure on the target elites while causing little or no damage to the civilian population and third countries (Shagabutnova & Jeffery , 2007, p. 61). There are scholars who argue that "smart" sanctions are not as smart as they seem. They pointed out that most of the time, economic sanctions are imposed on authoritarian regimes and the leaders are not accountable to the citizens. Therefore, they can divert the costs of these sanctions to the citizens and turn around to blame the economic hardship the people are facing on the sanctioning country.

The effectiveness of economic sanctions has increasingly become an ongoing debate in international relations. A notable assailant of economic sanctions is Robert Pape who not only argues that they are ineffective, he also pointed out that they miss their targets and cause innocent civilians a lot of harm (Pape, 1997). Those for economic sanctions can argue that scholars like Robert Pape used the sanctions in the 1990's to judge the effectiveness of economic sanctions and since then sanctions have gradually evolved. For example, economic sanctions have been imposed on Iran since 1979 but the scope and strategy have changed since then (Masters, 2015). Other advocates for economic sanctions also pointed out that sanctions are very effective when done strategically and they take time. One issue that those against economic sanctions fail to mention is that economic sanctions are not a "one size fit all". This is because there are certain factors that determine whether sanctions imposed would be effective as these factors increase or decrease the pressure for political change. In other words, the impact of economic sanctions is reduced or heightened by these factors. (Oxenstierna & Olsson , 2015, p. 25).

One of the factors that affect the effectiveness of economic sanctions is trade dependency. The trade dependency between the target and the sender before sanctions were imposed can increase or decrease the efficiency of economic sanctions. If the target state is very dependent on the trade it has with the sender, the target is more likely to accept the demands of the sender state (Shagabutnova & Jeffery , 2007, p. 65). The case of North Korea has shown that sanctions have failed to work because North Korea has been cut off from the international system since the Korean War and therefore has little or no trade link with the west while economic sanctions on Iran were effective because of the trade relationship between Iran and the west.

The longer the sanctions are imposed, the higher the cost for the target country. The cases of Libya, South Africa and Iran show how imposing sanctions for a long period of time can make the target state

make concessions (Oxenstierna & Olsson , 2015, p. 26). However, this factor can be tricky because the target state can find ways to adapt to the sanctions imposed. The cases of Iran and North Korea have shown how target regimes evade the effects of sanctions by diverting markets.

The higher the amount of sender states the more cost for the target state. For example, more senders mean less export markets for the target state and also boosts the international legitimacy of the sanctions regime. In order to increase the effectiveness of economic sanctions, international legitimacy is important (Oxenstierna & Olsson , 2015, p. 26). The case of Iran shows how the lack of international legitimacy of economic sanctions can negatively affect the effectiveness of economic sanctions. This is because when the US started imposing sanctions on Iran it wasn't as effective until the international community joined in. In North Korea's case, economic sanctions have not been very effective because despite the tough sanctions imposed by the US and its allies, China has not as cooperative in imposing tough sanctions on Pyongyang (Cortright & Lopez , 2002, p. 15).

However, there are cases that have shown that there is a negative relationship between multiple senders and economic sanctions. The sanctions against Libya was effective because all the sender states had a similar goal and this was to end the Gaddafi regime. The six-party talks were not effective in making North Korea abandon its nuclear program because all parties had different agendas. For example, the reason the US is imposing sanctions on North Korea is to end its nuclear program while Japan just wants to protect its national security and China is not fully on board with sanctions against Pyongyang because of its national interests (Cho, 2016). The target state can take advantage of this confusion and use it to cause more division among sender states.

Another important factor that affects the effectiveness of economic sanctions is the regime type. The Iranian government is a combination of the authoritarian and democratic system of government (Islamic democracy) while North Korea is an authoritarian and socialist state. The degree of authoritarianism in these states are different but in the end they fit into the category of authoritarian states. Sanctions are more effective in democratic states because the political leaders are accountable to the people. As a result of sanctions political leaders in democratic states would get negative feedback from those who voted them into power. (Shagabutnova & Jeffery , 2007, p. 65)

Like Iran and North Korea, the cases of Libya, South Africa and Iraq show that it takes a lot of time for economic sanctions to make authoritarian leaders change their policies. Authoritarian regimes are not so sensitive to economic sanctions because they are not accountable to the citizens. In addition, they have control over the media and internet in order to control public opinion and resources that can be used to gain the support of the elites and loyal supporters so as to stay power (Oxenstierna & Olsson , 2015, p. 26). The North Korean government controls all the resources and uses them to keep the elites happy and suppress the population. Pyongyang also has a strong grip on the media and feeds the people with stories like the west is the cause of all the economic woes North Koreans are experiencing. In the

case of Iran, the Iranian elites used its control over the media to make Iranians vote during the 2012 elections by telling them voting is a sign of solidarity against a foreign threat. This move led to a 65% voter's turnout (Worth, 2012).

In conclusion, economic sanctions do work, they just require strategy and patience because most of the time, they are imposed on authoritarian regimes. The economic sanctions imposed in the past have shown that these sanctions have loopholes that have to be filled. Policy makers in sender countries need to make economic sanctions airtight so that policy makers in the target country would have no other option than to seek concessions. In order to make sanctions effective, sender states should be flexible and offer incentives to the target to make them want to comply. As stated above, there are international and domestic factors that affect the target's willingness to change its policies and sender countries need to take these factors into consideration when imposing sanctions.

Another important issue sender countries fail to realize is economic sanctions is not a panacea. It is not disputable that economic sanctions have become an alternative to the use of military force as a foreign policy tool, however, too much reliance can reduce their effectiveness in the future because target countries would find more ways to evade these sanctions by reducing their participation in the western financial system. For example, China is reported to be developing an alternative to the European SWIFT and sanctioned countries can use this means carry out their international transactions. Therefore, those imposing sanctions should use sanctions for serious threats and not just as a response every international threat. In all, economic sanctions is a very strong policy tool as long as a lot of thought is put into their scope and implementation (Lenard, 2015).

References

(n.d.). Global policy forum.

"Joint Declaration of South and North Korea on the Denuclearization of the Korean Peninsula," Inventory of International Nonproliferation Organizations and Regimes". (2016). *nuclear threat initiative* .

Albright, D. (2005). *Timeline of Iran's path to nuclear weapons; Reassessing the implications of Nuclear-Armed Iran*. Washighton DC: Diane Publishing.

Albright, D., & Stuker, A. (2010, September). *Iran's nuclear program*. Retrieved from The Iran Primer : <http://iranprimer.usip.org/resource/irans-nuclear-program>

Alikhani, H. (2000). *Sanctioning Iran: Anatomy of a Failed Policy*. London and Newyork: I.B Tauris publishers .

- Allen, S. H., & Lektzian, D. (2012). Economic sanctions: a blunt Instrument? *Jorurnal of peace research*, 111-132.
- Allison, G. (2015, August 4). *the atlantic*. Retrieved February 24, 2016, from the atlantic:
<http://www.theatlantic.com/international/archive/2015/08/iran-nuclear-deal-reasons-support/400466/>
- Ang, A. U.-J., & Dursun, P. (2007, March). when do economic sanctions work?:Asymmetric Perceptions, Issue Salience, and Outcomes. *Political research Quarterly* , pp. 135-145.
- Anonymous. (n.d.). *Theories of economic sanctions (part2)*. Retrieved from
<http://webcache.googleusercontent.com/search?q=cache:lGcDxY3ECtJ:www3.nccu.edu.tw/~ctung/Dissertation/Chapter%25203%2520%2520Anatomy%2520of%2520Economic%2520Sanctions.doc+&cd=4&hl=en&ct=clnk&gl=cy>
- Askari, H. (2003). *Economic sanctions: examining their philosophy and efficacy*. Green wood publishing.
- Badkar, M. (2013, July 16). *Busniess Insider* . Retrieved from Busniess Insider:
<http://www.businessinsider.com/why-sanctions-wont-work-july-16-2014-7>
- Bahdat, G. (2006). Nuclear proliferation: the islamic republic of Iran. *Routledge taylor and francis online* , 311-314.
- Bajpai, P. (2015, Febuary 2015). *Investopedia* . Retrieved from Investopedia :
<http://www.investopedia.com/articles/investing/021815/us-and-eu-sanctions-against-north-korea.asp>
- Beauchamp, Z. (2016, January 7). *vox world*. Retrieved from vox.com:
<http://www.vox.com/2016/1/7/10729960/north-korea-nuclear-program-history>
- Bengtsson, M. (2002). Economic sanctions go smart: A human rights perspective. 1-50.
- Berger, B. (2015). Sanctions against North Korea : a tricky dilemma. *Breif Issue*, 1-4.
- Bezhan, F., & Sadar, S. (2012, October 5). *Radio free europe*. Retrieved 2016, from rferl: www.rferl.org
- Byeong-gu, K. (1999). North Korean Nuclear Issues and the LWR Project. 1.
- Blackwill, R. D. (2012). Iran: the nuclear blackwill . *council on foreign relations* .
- Bond, I., Rankin, J., & Odendahl, C. (2015). Frozen: the politics and economics of sanctions against Russia. *Center for European reform*, 1-23. Retrieved April 10, 2016, from <http://www.cer.org.uk/>
- Boomen, M. (2014, July 16). *Seven Pillars institute* . Retrieved from seven pillars institute:
<http://sevenpillarsinstitute.org/essays/effectiveness-and-ethics-of-economic-sanctions>
- Bossuyt, M. (2000). The adverse consequences of economic sanctions. *Global policy forum* , 33(2).

- Bozorgmehr, N. (2012, September 4). *The washington post*. Retrieved from The washington post:
https://www.washingtonpost.com/world/middle_east/sanctions-take-toll-on-irans-sick/2012/09/04/ce07ee2c-f6b2-11e1-8253-3f495ae70650_story.html
- Bruno, G. (2011, October 13). *Council on foreign relations*. Retrieved march 6, 2016, from CFR:
<http://www.cfr.org/iran/state-sponsors-iran/p9362>
- Bunn, G. (2003, December 1). *arms control association* . Retrieved February 3, 2016, from arms control:
https://www.armscontrol.org/act/2003_12/Bunn
- Carpenter, T. G. (2006). Iranian nuclear program ; America's policy options . *policy analysis*, 578, 2-5.
- Carter, B. E. (1988). *International Economic Sanctions: Improving the Haphazard U.S. Legal Regime*. United Kingdom: Cambridge University press.
- Catano, N. (2015). *Atlantic council* . Retrieved April 7, 2016, from www.atlanticcouncil.org
- Chae, P. Y. (1994). Focus on Nuclear Technology/ The North Produces Most Electricity Themselves. 7.
- Chalett-Avery, E., Rinehart, I. E., & Nikitin, M. D. (2016). North Korea: US relations, nuclear diplomacy and international situation. *Congressional research service*, 1-32.
- Charbonneau, L. (2013, March 8). *Reuters*. Retrieved April 3, 2016, from Reuters :
<http://www.reuters.com/article/us-korea-north-sanctions-idUSBRE92715Z20130308>
- Charbonneau, L., & Nichols, M. (2016, March 3). *Reuters*. Retrieved from Reuters:
<http://www.reuters.com/article/us-northkorea-nuclear-un-idUSKCN0W41Z2>
- Cho, S. (2016, March 13). *Global risk insights*. Retrieved April 3, 2016, from glonal risk insights:
<http://globalriskinsights.com/2016/03/un-sanctions-north-korea-wont-matter/>
- Clawson, P. (2015, August). *The United states Institute of Peace*. Retrieved from the Iran Primer :
<http://iranprimer.usip.org/resource/us-sanctions>
- Cortright, D., & Lopez , G. (2002). *Smart sanctions: targeting economic state craft* . Rowman and little feild publishers .
- Dahl, F. (2012, November 27). *Reuters*. Retrieved february 17, 2016, from Reuters:
<http://www.reuters.com/article/us-nuclear-iran-stockpile-idUSBRE8AQ0Y520121127>
- Davenport, K. (2016, march). *Arms control association* . Retrieved from armscontrol.org:
<https://www.armscontrol.org/factsheets/dprkchron>
- Dominguez, G. (2016, January 7). *Deutsche Welle*. Retrieved April 3, 2016, from dw.com:
<http://www.dw.com/en/why-sanctions-have-failed-to-deter-north-korea/a-18966019>

- Drezner, D. (2011). sanctions sometimes smart: target sanctions on theory and practice. *international studies review*, 98-108.
- Drezner, D. W. (2003). How smart are smart sanctions? *International studies review*, 107-110.
- Eriksson, M. (2011). *Targeting peace: Understanding UN and EU targeted sanctions* . New York: Ashgate publishing.
- Esfandiary, D. (2012, October 11). *the atlantic*. Retrieved April 24, 2016, from the atlantic : <http://www.theatlantic.com/international/archive/2012/10/actually-the-sanctions-on-iran-arent-working/263474/>
- Fayazmanesh, S. (2002). The politics of the U.S economic sanctions against Iran. *Sage Journals* , 221-238.
- Fars news agency*. (2015, April 15). Retrieved from fars news: <http://english.farsnews.com/newstext.aspx?nn=13940126001122>
- Filzpartick, M. (2012). North Korean Proliferation challenges: the role of the Europe Union. *The EU non-proliferation Consortuim*, 1-16.
- Filzpatrick, M. (2011). Iran's Nuclear, Chemical and biological capabilities . *international institute for strategic studies* .
- Flacker, M., & Sang-hun, C. (2009, June 12). *New York times*. Retrieved April 3, 2016, from nytimes: <http://www.nytimes.com/2009/06/13/world/asia/13korea.html>
- Folkesson, A. (2012, April 12). *The Iran primer* . Retrieved from iranprimer: <http://iranprimer.usip.org/blog/2012/apr/10/us-iran-trade-still-thrives-0>
- Gladstone, R., & Sanger, D. E. (2013, March 7). *New york times*. Retrieved from nytimes: <http://www.nytimes.com/2013/03/08/world/asia/north-korea-warns-of-pre-emptive-nuclear-attack.html>
- Goldsmith, B. E. (2010). *Economics of war and peace: economic legal nd political perspectives*. Emerald group publishing.
- Gordon, J. (1999). *Cross Currents* . Retrieved from Cross Currents : <http://www.crosscurrents.org/gordon.htm>
- Gordon, J. (2010, Sepember 9). *Foreign policy in focus*. Retrieved April 25, 2016, from fpif: http://fpif.org/smart_sanctions_on_iran_are_dumb/
- Gordon, M. R., & Sanger, D. (2015, July 14). *NY times*. Retrieved from nytimes: <http://www.nytimes.com/2015/07/15/world/middleeast/iran-nuclear-deal-is-reached-after-long->

negotiations.html?action=click&pgtype=Homepage&module=a-lede-package-region®ion=top-news&WT.nav=top-news&_r=0&utm_source=Sailthru&utm_medium=email&utm_term=*Situ

Gordon, M. R., & Sanger, D. E. (2015). *Ny times* . Retrieved february 23, 2016, from

<http://www.nytimes.com/2015/07/20/world/middleeast/un-vote-on-iran-nuclear-deal-irks-congress.html>

Gordon, M. R., & Schmitt, E. (2014, January 12). *The New York times*. Retrieved from nytimes:

http://www.nytimes.com/2014/01/13/world/middleeast/iran-nuclear-deal.html?_r=0

Hafbauer, G. C., Schott, j., Elliot , J. J., & Oegg, B. (2007). *Economic sanctions reconsidered* (3rd ed.). united book press .

Hirschman, A. O. (1945). *The national power and the structure of foreign trade* (1 ed.). Berkely. Los Angeles, London : University of California press.

History.com. (2009). Retrieved march 15, 2016, from <http://www.history.com/topics/korean-war>

Hua, J., & Lawler, A. (2012, February 7). *Reuters* . Retrieved from Reuters : <http://www.reuters.com/article/us-china-oil-supplies-idUSTRE8161RG20120207>

Hudson, J., & Lynch, C. (2015, March 30). *Foreign Policy*. Retrieved from foreign policy:

http://foreignpolicy.com/2015/03/30/why-obama-needs-an-interim-deal-more-than-iran/?utm_source=Sailthru&utm_medium=email&utm_term=%2ASituation%20Report&utm_campaign=Sit%20Rep%20March%2031%202015

Hufbauer, G. C., Schott, J. J., & Elliot , K. A. (1990). *Economic sanctions reconsidered* (1 ed.). Washigton Dc: Institute for international economics.

Intelligence on Iran. (2016, March 16). Retrieved february 17, 2016, from Iranintelligence:

<http://www.iranintelligence.com/program-history>

Yukhananov, A., Grant , P., Croft, A., Kerry, F., & Nichols , M. (2012, April 2). *Reuters* . Retrieved from Reuters :

<http://www.reuters.com/article/us-iran-nuclear-sanctions-factbox-idUSKBN0MT02420150402>

Jahanpair, F. (2015, September 4). *Inter press service news agency* . Retrieved from Ips ews :

<http://www.ipsnews.net/2015/09/opinion-iran-and-the-non-proliferation-treaty/>

Kaempfer, W. H., & Lowenberg, A. D. (1988). The theory of international economic sanctions . *American economic review*, 78(4), 786-793.

Kim, H. (n.d.). The Impact of United Nations sanctions on North Korea (DPRK). *Stockholm International Peace Research*, 1(1), 88-113.

- Kimball, D., & Davenport, K. (2004, August). *Arms control association* . Retrieved from armscontrol.org:
<https://www.armscontrol.org/factsheets/agreedframework>
- Koch, A., & Wolf , J. (1998). Iran's nuclear facilities: a profile . 2.
- Kwon, K., Starr, B., & Scuitto, J. (2016, March 18). *CNN*. Retrieved from CNN:
<http://edition.cnn.com/2016/03/17/asia/north-korea-missile-launch/>
- Laub, Z. (2015, July 15). *Council on foreign relations* . Retrieved from CFR:
<http://www.cfr.org/iran/international-sanctions-iran/p20258>
- Lee, S.-Y., & Stanton, J. (2016, January 15). *CNN*. Retrieved April 3, 2016, from CNN:
<http://edition.cnn.com/2016/01/15/opinions/lee-stanton-north-korea-sanctions/>
- Lenard, B. (2015, May 18). *The diplomat*. Retrieved April 24, 2016, from The diplomat: www.thediplomat.com
- Lettow, P. (2010). Strengthening the nuclear non proliferation regime . *Council on foreign relations*, 7-32.
 Retrieved from cfr.
- Leurs, W., Bieri , I., & Lewis , P. (2012). Weighing the benefits and cost of the international sanctions against Iran. *The Iran project*, 1-46.
- Levs, J. (2012, January 23). *CNN*. Retrieved from CNN: <http://edition.cnn.com/2012/01/23/world/meast/iran-sanctions-facts/>
- Lin, J. (2011). Iran's nuclear program. *The proceedings of great day*, 217-232.
- Lowenfeld, A. F. (1990). Economic sanctions: A look back and a look ahead. *JSTOR*, 1930-1945.
- Maloney, S. (2014). *Brookings* . Retrieved April 24, 2016, from www.brookings.edu
- Mansourov, A. (1995). The origins, evolution and the current politics of the North oreaan nuclear program . *The non-proliferation review* , 25-36.
- Masters, J. (2015, April 8). *Council on foreign relations* . Retrieved from cfr.org:
<http://www.cfr.org/sanctions/economic-sanctions/p36259>
- Megaloudi, F. (2015, September 23). *Counter Punch*. Retrieved from Counter punch:
<http://www.counterpunch.org/2015/09/23/the-hidden-side-of-sanctions-against-north-korea/>
- Myers, S. L., & Sang-hun, C. (2012, February 29). *New york times*. Retrieved from Nytimes:
<http://www.nytimes.com/2012/03/01/world/asia/us-says-north-korea-agrees-to-curb-nuclear-work.html>
- Moghtader, M., & Dahl, F. (2014, August 27). *Reuters*. Retrieved from Reuters :
<http://www.reuters.com/article/us-iran-nuclear-centrifuges-idUSKBN0GR1KL20140827>

- Neuger, J. (2013, January 25). *bloomberg* . Retrieved february 17, 2016, from bloomberg:
<http://www.bloomberg.com/news/2013-01-25/iran-has-capacity-to-quadruple-enrichment-at-fordoaide-says.html/>
- Nikou, S. N. (2015, December). *Iran Primer* . Retrieved from Iran primer :
<http://iranprimer.usip.org/resource/timeline-irans-nuclear-activities>
- Niksich, L. A. (2005). North Korea's nuclear weapons program. *CRS issue Brief for congress*, 1-22.
- Nuclear threat Initiative*. (2010, December 3). Retrieved february 16, 2016, from NTI:
<http://www.nti.org/gsn/article/iran-seeks-foreign-nuclear-scientists-former-diplomat-asserts/>
- Nuclear threat initiative*. (2016, April). Retrieved from NTI: <http://www.nti.org/learn/countries/north-korea/>
- Oxenstierna, S., & Olsson , P. (2015). The economic sanctions against Russia : Impact and prospects od success. 1-92.
- Pape, R. A. (1997). Why economic sanctions do not work . *JSTOR*, 22(2), 90-136.
- Parkinson, J., & Peker, E. (2012, November 23). *The wall street journal* . Retrieved from WSJ:
<http://www.wsj.com/articles/SB10001424127887324352004578136973602198776>
- Perera, J. (2000). Iranain nuclear: the battle of Bushehr. *the economist* .
- Perskin, D., & Drury, C. A. (2009). economic santions and political repression: accesing the impact of coresive diolomacy on political freedoms. *human rights review*, 393-411.
- Philips, E. (2017, October 10). *Arms Control Association* . Retrieved from armscontrol.org:
<https://www.armscontrol.org/factsheets/UN-Security-Council-Resolutions-on-North-Korea>
- Popescu, N. (2015, October). Sanctions and Russia: lessons from the cold war. *Brief Issue* , 1-4. Retrieved April 18, 2016, from www.iss.europa.eu
- Ramstad, E., & Meckler, L. (2012, April 13). *The wall street journal*. Retrieved from wsj:
<http://www.wsj.com/articles/SB10001424052702304444604577340343672810680>
- Rennack, D. E. (2006). North Korea: econmic sanctions. *CRS report for congress*, 1-35.
- Riding, A. (1994, October 22). *New york times*. Retrieved from Ny times:
<http://www.nytimes.com/1994/10/22/world/us-and-north-korea-sign-pact-to-end-nuclear-dispute.html>
- Robbins, C. A. (2013, may 14). *Bloomberg Busniess week* . Retrieved from Bloomberg busniess week:
<http://www.bloomberg.com/news/articles/2013-05-23/why-economic-sanctions-rarely-work>
- Rodgers, E. S. (1996). Using econmic santions to control regional confilcts . *Security studies* , 5(2), 72.

- Rosenberg, M., & Lowry, A. (2012, August 17). *the newyork times*. Retrieved march 7, 2016, from Ny times : <http://www.nytimes.com/2012/08/18/world/middleeast/iranian-currency-flows-into-afghanistan-markets.html>
- Roth, R. (2016, March 3). *CNN*. Retrieved from CNN: <http://edition.cnn.com/2016/03/02/world/un-north-korea-sanctions-vote/>
- Rudolf, P. (2007). Sanctions in international relations . *International relations and security network*, 1-17.
- Ruediger, F. (2006). the political economy of sanctions against North Korea. *Asian persective* , 30(3), 5-36.
- Semoon, C. (2006). should US economic sanctions against North Korea be lifted? *North Korean review* , 36.
- Shagabutnova, E., & Jeffery , B. (2007). Deploying sanctions while protecting human rights: are humanitarian smart sanctions effective? *Journal of human rights*, 59-63.
- Sharafedin, B. (2015, November 2). *Reuters*. Retrieved february 23, 2016, from Reuters : http://www.reuters.com/article/us-iran-nuclear-salehi-idUSKCNOSR0PQ20151102?utm_source=Sailthru&utm_medium=email&utm_campaign=New%20Campaign&utm_term=*Mideast%20Brief
- Shin, W. (1996). Review work: Asian flashpoint: security and the Korean Peninsula by Andrew Mack. *JSTOR*, 100-104.
- Snyder, S. A. (2016, March 6). *the diplomat*. Retrieved April 3, 2016, from the diplomat : <http://thediplomat.com/2016/03/north-korea-will-the-new-sanctions-work/>
- Solingen, E. (2012). *sanctions, state's craft and nucler proliferation* . Cambridge University press .
- Solomon, J. (2012, October 9). *the wall street journal*. Retrieved february 17, 2016, from WSJ: <http://www.wsj.com/articles/SB10000872396390443294904578046721515565966>
- Stanglin, D. (2015, April 2). *USA today*. Retrieved february 17, 2016, from USAtoday: <http://www.usatoday.com/story/news/world/2015/04/02/iran-nuclear-talks/70818210/>
- Starr, J. (2015, November). *United states Institiute for peace* . Retrieved from Iran primer : <http://iranprimer.usip.org/resource/un-resolutio>
- The Iran Project*. (2015, April 10). Retrieved from The Iran project : <http://theiranproject.com/blog/2015/04/10/signing-iran-nuclear-deal-should-run-parallel-to-sanctions-relief-moscow/>
- Thomas, J. D. (2016, January 23). *The diplomat*. Retrieved April 3, 2016, from The diplomat : <http://thediplomat.com/2016/01/reality-check-on-north-korean-sanctions/>

- Torbat, A. E. (2005). Impact of the US trade and Financial sanctions on Iran. *Calstateela*, 28(3), 1-28.
- Torbati, Y. (2012, October 12). *Reuters*. Retrieved march 6, 2016, from reuters:
<http://www.reuters.com/article/us-iran-economy-idUSBRE8950B320121007>
- Trenin, D. (2015, February 16). *World economic Forum*. Retrieved from weforum:
<https://www.weforum.org/agenda/2015/02/how-effective-are-economic-sanctions/>
- Trone, J. (2016, February 4). *Bloomberg Quicktake* . Retrieved from Bloomberg view:
<http://www.bloombergview.com/quicktake/irans-uranium-enrichment>
- Usobiaga, G. (2015, April 16). *London School Of Econmics and Policial Science*. Retrieved from blogs.lse.ac.uk:
<http://blogs.lse.ac.uk/lseih/2015/04/16/economic-sanctions-past-future/>
- Valentin , K., Navin , B., & Morgan , C. T. (2009). The threat and imposition of economic sanctions 1971-2000. *conflict management and peace science*, 26(1), 93-99.
- Wagner, A., & Schlangen , D. (2012). *National Bureau of Asian research*. Retrieved April 3, 2016, from
www.nbr.org
- Weiss, T. G. (1999). sanctions as a foreign policy tool: weighing humanitarian impulses. *journal of peace and reserch*, 36(5), 499-510.
- Wertz, D., & Vaez, A. (2012). sanctions and non-proliferation in North Korea and Iran. *Federation of American scientists*, 1-25.
- Wilson, R. (2015, August 5). *Morining consult*. Retrieved february 24, 2016, from Morning consult :
<https://morningconsult.com/2015/08/robert-gates-we-have-a-flawed-iran-deal-make-the-best-of-it/>
- Winter, M. (2012, March 7). *USA today*. Retrieved february 17, 2016, from content.usatoday:
<http://content.usatoday.com/communities/ondeadline/post/2012/03/ap-iran-tries-to-clean-up-radioactivity-at-military-site/1#.VsOg9vJ97IV>
- Wit, J. S., & Ahn, S. Y. (2015). North Korea's nuclear futures: technology and strategy. *US-Korea institute ar SAIS*, 1-32.
- World-nuclear.org*. (2016, April). Retrieved february 24, 2016, from World nulear.org: <http://www.world-nuclear.org/information-library/country-profiles/countries-g-n/iran.aspx>
- Worth, R. F. (2012, March 2). *New york times* . Retrieved from NYtimes :
<http://www.nytimes.com/2012/03/03/world/middleeast/iran-election-parliament-majlis.html>