

## **Sanctions Effectiveness in a Globalized World**

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### **Abstract**

*This study seeks to comprehend the utility of sanctions in the global era with the background that albeit the widely publicised negative resultant effects of sanctions, the usage of sanctions as a foreign policy tool continues to increase. This paper interrogates how globalisation and sanctions are persistently impacting on each other; how the objectives of these two variables are diametrically opposed whereby the former seeks to unify states while the latter seeks to isolate actors. On one hand, globalization has rendered sanctions ineffective by giving the sanctioned states alternative trading partners. On the other hand, the global village renders it easy for sanctions to be inevitably applied as the inter-connectedness and inter-linkages allow for states to be vulnerable. This paper also critiques how economic powerhouses strategically extend support to sanctioned states and its effect on the effectiveness of sanctions. This article concludes that globalisation has rendered the impact of sanctions questionable and futile.*

**Key Words:** globalization, sanctions, Burma, Iran, North Korea, Zimbabwe.

### **1.0 Introduction**

Following the devastating effects of both World War I (1914-18) and World War II (1939-1942), governments started seriously recognizing and considering the sanctions regime as a potential substitute for warfare or any kind of hostilities between and amongst nations. In the post-Cold War era, politics has taken a paradigmatic shift and the use of military force to resolve disputes has lost its lustre, splendour and credibility. Use of military force has become less acceptable and sanctions have become a popular tool of foreign policy, a means of coercive diplomacy to whip countries to change their behaviours, perceptions or policies.

Sanctions are a foreign policy tool used by states or international organizations to persuade a particular government or group of governments to change their policy by restricting trade, investment or other commercial activity. Their objectives include deterring a target from engaging in wrongful behaviour, compelling an offending state to abandon or cease behaviour that the sanctioner considers wrongful, alter the target state's behaviour by subverting the incumbent wrong-doers, play a punitive role or to express a policy position symbolically to one's own public or to other states in the international system.

Whilst sanctions have a myriad of objectives depending on which actor is sending them, unilaterally or multilaterally, one lucid objective among these is sanctions' bid to isolate the respective state practising objectionable policies. As earlier highlighted, the United States (US), United Nations (UN), European Union (EU) and other developed states have imposed both multilateral and bilateral sometimes even unilateral sanctions on a myriad of countries. What is important to note is that in this modern globalised world, sanctions can be diffusive and as well similar.

On the other hand, globalization is generally described as an increased internationalisation of markets for goods and services, the means of production, financial systems, competition, and the existence of corporations, technology and industries (Blakeley: 2012). Clearly, globalisation is weakening the capability of governments to control and mitigate the detrimental effects of free markets consequentially increasing the economic causes of war. However, of significance to note is that despite these negative sentiments on globalization, not only does globalization play a unifying role, but it also plays a pivotal role in exacerbating trade and engagement between and amongst actors hence in this case sanctions and globalization are seemingly contradicting trends. While sanctions ensure the frequent repeated disruption of free flow of goods and capital across nations, globalization is actually epitomized by these as reflected in the cases of sanctioned states such as Zimbabwe, Iran, and Burma etc.

### ***1.1 Theoretical Conceptualisation***

The principal purpose of sanctions is to alter the behaviour of the target state's regime in power, individuals or groups in a direction which the sanctioner deems fit for that country. The ultimate objectives of sanctions imposed so far have varied tremendously depending with the situation. An arms embargo or an export ban of certain items or raw materials could be aimed at supporting a peace process and restricting the financing of weapons by the combatants. Sanctions may also be imposed to ensure that these same weapons do not fall into the wrong hands, or to disrupt terrorist operations, or trying to change the policies and actions of the target. The most frequently applied measures are as follows:

- embargoes on exporting or supplying arms and associated technical assistance, training and financing,
- a ban on exporting equipment that might be used for internal repression,
- financial sanctions on individuals in government, government bodies and associated companies, or terrorist groups and individuals associated with those groups,
- travel bans on named individuals and their immediate families,
- bans on imports of raw materials or goods from the sanctions target

Sanctions are inimical to globalisation since their isolationistic nature curtails international integration. On the same token, globalisation has acted as major hindrance to sanctions effectiveness because it seeks to unify and promote engagement of states. Trade embargoes, sports isolations and restrictions in travelling, short-circuits the notion of the inter-change of world views, products, ideas and other aspects of culture, the antithesis of what globalisation should actually achieve. Comprehensive, targeted, bilateral or multilateral sanctions constrict and curtail interdependence and create divisions between countries into two camps, the sanctioners and the sanctionees, consequently disrupting economic and cultural activities. Sport boycotts do not promote cultural connectivity and exposure, hence globalisation is deemed detrimental to sanctions. One the other hand since sanctions seek to eradicate almost all positives and cornerstones of globalisation, sanctions can be safely said to be a drawback of globalisation.

Globalisation has rendered economic sanctions ineffective as a coercive diplomatic tool. This is because no country is an "island", and the phenomenon of interdependence enables countries to "survive" through trade, cooperation, multilateral and bilateral loans or credits. Ideologies that are linked to the survival of globalisation have also had an impact on the effectiveness of sanctions. The division of the world into two ideologies, capitalism and communism has given room to this. The United States sanctions imposed on Cuba or Iran are a true reflection of this where these sanctionees have not really felt the pinch of the sanctions since they reverted to trade ties with their communist friends, thus de-linking with capitalist countries such as the United States and the European Union countries.

American economic measures against Cuba were, for example, not effective in getting rid of Fidel Castro because Cuba had alternative markets for its sugar particularly in Soviet Union.

The United States was also unable to control the bulk of interactions between Iran and other countries such as Jordan, Syria, Iraq, Zimbabwe and Djibouti hence its sanctions had little effect. The US, EU and Australia sanctions against Zimbabwe were not effective since Zimbabwe embarked on the “Look East” policy, trading with China, Indonesia, Malaysia and Iran, amongst other Asian countries. The bulk of the Pan- African states even opposed sanctions imposed on Zimbabwe. Such countries include Zambia, South Africa, Namibia and the Democratic Republic of Congo which till today continue as trading partners with Zimbabwe amidst the sanctions.

The UN sanctions against Rhodesia between 1966 and 1979 were certainly not the major reasons for ending minority rule of white Rhodesian Front. There is also need to accord credit certainly to the Patriotic Front that fought the liberation struggle. The UN oil embargo on Rhodesia for example was undermined by the oil conduit provided by friendly apartheid South Africa. The ending of the apartheid system in South Africa may to a certain extent be attributed to sanctions but the efforts of the African National Congress (ANC) should not be downplayed. The threats by the US to impose sanctions on China would turn inwards for the US itself because the US largely depends on China both economically and strategically. Sanctions against China would thus be counterproductive. In fact the main victim of threatened US sanctions is US business and China does not suffer. Marcus Noland noted that sanctions had no “perceptible effect” as they would not “have much effect on North Korea’s trade with China”. China’s veto power on the UN Security Council resolution also enables sanctions not to be effective in the globalisation era, for example, vetoing decisions for the tightening of Burma sanctions or any other state.

In point of fact, two or three things have happened both at the individual and national level to render sanctions absolutely useless. Owing to globalization, human beings now live in an information age. There assumption is that putting an individual under sanctions will cause them not to access wholly goods and services from the sanctioning state. However, this notion is being slowly rendered obsolete because sanctioned individuals can virtually alternatively buy anything that is sold in Los Angeles (an example of a sanctioning state) in China for a bargain or in Dubai, Turkey or in South Africa. Furthermore, at the national level on cultural interest for instance, the dramatic changes associated with the digitalworld have rendered it a sheer waste of time to sanction travelling. Individuals in sanctioned states can access through the internet and other media platforms just about what the sanctioning state’ citizens are accessing. As one analyst put it,

*“... in the last ten years and in particular since 9/11 there is nothing as dangerous and unpleasant, very dangerous as visiting America or the European countries because they are targets of major calamities. The coincidence that the sanctions have been imposed at the same time when those who are not on sanctions who visit America especially Black or Arab looking people are subjected to humiliating body searches and so forth because they profile you and they think you look like a terrorist. Many of the people who go there come back with sad stories. But, apart from that they put themselves in danger of a bomb and so forth. There are already alternative destinations which have been caused by these sanctions for example China, Dubai, South Africa and Kenya among others. This European and American war on terror has made these places unattractive and unpleasant destinations”.* (Moyo: 2011)

The understanding therefore is that at both personal and national levels the imposition of sanctions and the resultant effects has helped to understand that there is more to the world than Europe and America and that these places are dispensable. At a national level the sanctions have assisted sanctioned states to wake up, understand and appreciate the legacy and histories of their own states.

### ***1.2 Pre-Globalisation Era and the Effectiveness of Sanctions***

It is self-evident that sanctions are ‘older’ than globalisation which itself suggests that there are two historical periods: a pre-globalisation era and the current globalised era. It is implicit throughout this paper that sanctions were more effective in the pre-globalised era and less efficacious under globalisation. A number of studies have rigorously researched on the effectiveness of sanctions in the pre-globalisation era. The motive of such researches was to identify the best conditions under which sanctions can achieve best results and the levels of success of these sanctions (Hufbauer et al. 1990). Under this period a lot of controversy regarding the success of sanctions has marred the sanctions debate. Although there are divisions among scholars on the effectiveness of the sanctions, a majority of authors have concluded that sanctions work in rare cases (Haggard and Noland 2009).

However, analysis has shown that sanctions in the pre-globalisation era have recorded a success rate of about 34% (Hufbauer et al. 1990) yet still some critics have indicated that the success rate of sanctions has been overstated. In his rebuttal, Pape (1997) reiterates that sanctions have been successful less than 5% of the time and not 34% of the time as (Hufbauer 1990) claim in the pre-globalisation era.

Despite the disagreements amongst scholars, evidence has shown that *at least* in the pre-globalisation sanctions are seen to be successful in certain cases. The success of sanctions is defined as the sanctioner (or sender) securing the desired political change in the sanctioned state (or target), and where the use of sanctions alone (rather than other tools of statecraft) can be deemed responsible for that change of policy (Pape 1997). The South African and the Libyan cases are usually cited as a yardstick for sanctions success. The supposition is that the imposition of sanctions to South Africa is responsible for the hasty decision to quit apartheid and those for Libya led Muammar Gadhafi in 2003 to renounce the weapons of mass destruction and released the Lockerbie bomber to end the decade-old US sanctions and to gain access to American oil field technology and know-how.

In the South African case economic and cultural sanctions are alleged to have contributed not only to the fall of the apartheid regime but also to a successful democratic transition. Indeed, students of South African politics (as opposed to students of sanctions) tend to argue that that there were numerous factors that brought white South Africans to a realization that the kind of South Africa that had existed in the halcyon days of apartheid in the 1950s and 1960s was no longer sustainable (Price 1991; Klotz 1995). Sanctions invoked by governments to pressure the South African state into change are generally seen to be only one of these factors (Bremmer 2006). As Crawford and Klotz note, unraveling the causality in the South African case will be difficult; the role of sanctions in that process is likely to remain essentially contested.

South Africa was unusually amenable to this kind of pressure because it retained a functioning multiparty democracy and because, unlike many other pariah states it was not willing to be a pariah (Bremmer 2006). According to Dr. Kim Howells, Minister of State, FCO:

Sanctions against South Africa undoubtedly highlighted South Africa's isolation, and I think that that sense of isolation is .....very important. The idea of being a pariah state somehow tends to focus the mind; at least, it has in some governments. The sanctions increased the cost to South Africa of borrowing money internationally, which was, of course, a factor in their eventual decision to reform, and the gradual lifting of sanctions from 1991 helped to ensure white support for reforms (House of Lords, Select Committee on Economic Affairs).

Apart from the South African case, to Nossal (1999), there are 14 cases when sanctions undoubtedly were a success. These are sanctions between US and Netherlands (1948-1949), US and UK (1956) ) to ensure the withdrawal of UK troops from Suez, Canada and Japan (1977-1978) regarding strengthening of nuclear safeguards, France and New Zealand (1986) in order to ensure the repatriation of French agents among others. This figure 14 is derived from the comprehensive survey by Hufbauer et al. (2006), in which each sanctions episode was scored on a scale of 1 to 4 according to whether a target country's government changed its behavior; another scale measured whether sanctions were deemed to be the significant cause of that change Hufbauer et al (2006) and sanctions were deemed to have worked when the episode scored a 4 on both scales (Nossal 1999). However, a closer analysis of the current cases of sanctions imposition during the globalisation era specifically Burma, North Korea, Iran and Zimbabwe have reflected that the sanctions imposed have not had any discernible effect.

### ***1.3 Sanctions' Effectiveness in the Globalised Era***

From a cosmopolitan standpoint, globalisation is defined "as the cluster of technological, economic and political innovations that have drastically reduced the barriers to economic, political and cultural exchange" (Drezner: 2001). The salience of this prevalent concept is evident especially after the 1999 World Trade Organisation (WTO) Ministerial Meeting in Seattle. Of importance to note is that it is awash, as a concept and as an axiom, within a cosmopolitan complexity of integrating and diffusing facets pertaining to issues such as market groupings, consumer safety, industrial standards, social dialectics, labour rights and harmony of operation. The convergence and divergence of these aspects impinges variously upon classical and contemporaneous definitions and perceptions of sanctions in general and their gamut of effectiveness in particular.

Intrinsically candid questions have arisen. If globalisation is an insistent rollback of the state through the growth of transnational structures and the agglomeration of existing ones, how far does this result in a negotiated convergence of standard regulation with regards to sanctions? Or does globalisation inversely cause a divergence of policy in such issue-sensitive areas? As one author reiterates, the anxiety arising from the pressure of globalisation within countries largely dependent on the global economy than the United States (US) as the “Golden Straitjacket” which leaves nation-states only one alternative: “Free market vanilla and North Korea” (Friedman: 1999). This complexity is further compounded by the fact that globalisation is divergent involving those evolving and diverse disciplines such as law, economics, political science and sociology.

### **1.3.1 Zimbabwe Sanctions: Effective Embargo in the Global Era?**

Yet what is the nexus between globalisation as a practical- reality concept and sanctions? The connection appears to be paradoxically confined to the intrinsic fractionalisation of global perception in the relational matrix between and among states. For instance, within the geopolitical configuration of polarity stemming from deep within the recesses of the UN Security Council (UNSC), US perception and China’s views of Zimbabwean sanctions are diametrically opposed. This opposition of perception goes beyond mere definitional issues to value assumptions which directly impact on these two global powers’ foreign policy. The statement from the Zimbabwe Democracy Recovery Act (ZIDERA) of 2001 by the US government which states that “...until the US President certifies that the rule of law has been restored in Zimbabwe...” (Hondora 2009) goes averse the Chinese fundamental politics of non-interference. And as such policy-makers in “little proxies” have taken the route of least resistance by befriending and cooperating with allies in the East or West whose policies more than marginally converge with their domestic interests. The most pertinent question which arises then is how far globalisation has nullified or accentuated the effectiveness of sanctions. As stated above, globalisation has been an existing exit from the numerous negative contingencies a nation may face under sanctions.

The polarity between the US and China has shifted from mere ideology to economics since economics has political ramifications and since China, while stiltedly communist, has taken on a cloak of state capitalism through a socialist market economy as the world’s second largest economic hub. The world has witnessed the emergence of the “Washington Consensus” and a peculiar “Beijing Consensus” in world affairs. Shifts and balances in socio-political and economic hegemonic dominance have facilitated a full-spectrum perspective on globalisation. For instance China has offered countries offended by Western snobbishness and sanctions, a healing balm to wounded prestige. As a rising economic hegemony, China has offered better economic incentives (according to the financially constrained) than the West at least in the long run, and an almost incontestable challenge to sanctions in the short-run through proffering embellishments of sanctions-busting policy frameworks and funding. China is also not too strict in terms of requirements for democracy when it comes to funding presumably because its own democratic structures stand to question when juxtaposed to Western parameters.

At this juncture, it is imperative to infer from the foregoing that sanctions work best in an “airtight” global environment. This is to say that sanctions work best when the sanctionee is isolated. Thus China has offered many nations an attractive exit out of the experiential cubicle of “sanction pain”, such as Zimbabwe, Iran, Iraq etc. favouring the economic development of its trade associates over democracy. This raises questions regarding the efficaciousness of sanctions. China is only one case among a plethora of global “Moseses”<sup>1</sup> such as Russia has been since its USSR days as an unfailing friend of Cuba, Iran and Vietnam. So, coupled with the unintended difficulties sanctions impose on the general man, and their escalation of hostilities in political spheres, the intended purpose of activating the internal transitional mechanisms in “little proxies”<sup>2</sup> has largely failed because globalisation has brought “big-brother” assistance into the scenario. How far these “big brothers” are prepared to digress from their own internal, realistic self-interest on behalf of the sanctioned state is a lasting matter for international relations debate.

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<sup>1</sup> “Moseses” refers to economic superpowers that in a number of cases are seen sympathising with the plight of smaller developing states.

<sup>2</sup> Little proxies have been defined as a less economically developed country facing manipulation by big powers.

Zimbabwe for instance has been caught within the matrix of opposition discussed above, that is, of seemingly disharmonious dialectics between the East and the West. Facing direct and indirect vilification by the West, Zimbabwe has taken a dramatic and far-reaching “Look East” route since 2002 to assuage the effect of sanctions (Chingono 2010). Micro and macro-economic “sanctions-busting” mechanisms done internally and abroad have been instituted with success or failure. This has been as a result of domestic political and social grappling in order to avoid an economic domino-effect capable of catapulting the drastic intricacies of economic and political implications onto the global-public arena. And as such, cloaks and daggers have become common commodities. However, the West has perceived the Look East policy move as a desultory, face-saving political gambit meted out in desperation by a power-hungry cluster of manic despots.

Sanctions have immiserated the populace infinitely more than their “intended victims”, those oligarchs of junta politicians or otherwise. This is at least what the West is reservedly apologetic about. Yet a more pacifist view or a particularly moderate one, could explain this policy shift as “political totopoly”<sup>3</sup> done expeditiously in response to adverse manipulation of the domestic politics of a “little proxy”. The International Monetary Fund (IMF) and the World Bank (WB) for example came to Zimbabwe with a package of strategies in the form of the 10-Point Washington Consensus after the African nation experienced a massive budget deficit and paltry GDP growth in the early-90s. This package of Economic Structural Adjustment Programmes (ESAP) hardly benefited the African nation. During the first year of ESAP’s implementation, Zimbabwe’s GDP which had been growing at a steady rate of over 4% a year declined to 1% in 1991 and industrial production fell from 6% to 2% (Gono 2010). Songs were sung on retrenchments, poverty, social and moral decadence and the rampant corruption amidst extensive public disgruntlement, destitution and instability. Thus ESAP had to be prematurely abandoned. Consequently, globalisation has been taken advantage of, not solely to assuage the effect of sanctions after 2001, but to balm the wounded national prestige in Zimbabwe by utilising alternate sources of economic recovery. In Zimbabwe the decade-long sanctions have not led to the intended quick political resolution. If they were targeted at causing volatile political disharmony, they have succeeded only thus far. However, if sanctions were aimed at causing the effectuation of “democratic” transitional mechanisms, they have failed dismally.

A fragile, yet *de facto* Government of National Unity (or rather “disunity”) exists, effectively superintending over policy divergence and discrepancies and over a modicum economic stability and performance. Such has been the case in North Korea, Burma, Iraq, Iran and Cuba among a plethora of other “little proxies”. Cuba has blood-eyed the West with the insurmountable temerity to withstand sanctions for over five decades since the Cuban Revolution of 1959 which saw the establishment of the communist state.

The ZIDERA of 2001 was instituted to “achieve democratisation” as highlighted that sanctions are meant to

*“...support the people of Zimbabwe in their struggle to effect peaceful, democratic change, achieve broad-based and equitable economic growth and restore the rule of law....”* (Available at: <http://allafrica.com/stories/200812180812.html>)

However, on the ground, not much has changed. The Land Reform Programme has remained and the “quislings” of the British and American transnational corporations, ZANU-PF and President Mugabe, have retained political control. Domestic politics, with the dubious exception of increased pluralism within the 2008 framework of the GNU, has remained vastly obsolete. Karel de Gucht the EU Commissioner for aid stated in 2008 that between 2002 and 2009, around 600 million Euros had gone to humanitarian aid. At that time she promised that the EU would be switching to more structural aid in the form of transitional aid for education. Thus 2009 saw the investment of 90 million Euros in Zimbabwe (Gono 2008). Is this an act of apologetics for a flawed sanctions policy or is this an indirect emphasis of the stated fact that the Zimbabwe sanctions are “smart” and “targeted”? In other words, does British lateral aid into Zimbabwe mean shame coupled with absolute hatred for the regime in power? If the latter scenario is in the affirmative then why does the Zimbabwe government call the sanctions imposed by the West “economic”? Or if they are not economic but “targeted” then why are economic measures being applied to assuage and bust “targeted” sanctions? An understanding of the exact nature of Zimbabwe’s sanctions is important to illustrate this.

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<sup>3</sup>Totopoly is a board game. So if poor states are on the international “totopoly” they are being manipulated economically in a system of international economic totopoly by big powers.

### **1.3.2 The Burmese Sanctions Experience: 1988 to Now**

Burma-specific sanctions began following the Burmese military's violent suppression of popular protests in 1988. The practice of international seclusion was widened in 1990 when the military regime refused to hand over power to the National League for Democracy (NLD) which won a massive more than eighty per cent victory of the popular vote (Fink 2001; Maung 1998; Steinberg 2001). The military regime instead commenced a nationwide onslaught on the party and its supporters. Ensuing protests and demonstrations were met by violence and thousands were murdered as the military sought to regain control.

How is Burma busting sanctions imposed on it since 1988 by Australia, Canada, the US and the European Union? Even with the change in leadership the country is still deep in poverty deeply entrenched as it was 23 years ago. The ruling juntas of wicked generals in Burma were becoming richer and corruption was rampant. Around 400 kilometres to the north of Rangoon, the city of Naypyidaw, a new capital, is under construction and the IMF estimates that between 1-2% of the national GDP has gone to this project since 2005. Yet this country is awash with high rates of malaria, HIV/AIDS and the dengue fever but has only managed to dedicate 0.5% of its GDP to the health sector. It is the second most corrupt country in the world only better than Somalia. Among Asian countries, only Afghanistan is poorer than Burma where more than 10% of children die before the age of five (McKinnon: 2011). The question therefore is that is this all sanctions can do? The leaders of Burma managed to stall the political impact of sanctions notwithstanding the use of escalating levels of repression? Burma has neighbours such as China, India, Singapore and Thailand who have vilified sanctions from the beginning. This negative escapist of repressive regimes aspect is largely a facilitation of globalisation. The Burmese junta is involved in sanctions-busting through unofficial commission "cuts" on imported luxuries. Nay Min Maung, the director of Burma Egress says "No one who understands transaction costs would support sanctions. As an empirical reality sanctions affect the grassroots" (McKinnon: 2011). Albeit these important points, to say the situation in Burma changed because of sanctions may be a misrepresentation of fact. Globalisation also took a toll on the impact and severity of sanctions in Burma. The Burmese case cited above draws salient parallels with the Zimbabwean situation.

### **1.3.3 North Korean Sanctions and Globalisation**

In a similar fashion, China has played a pivotal role in propping up Pyongyang's economy between the period 2003 and 2009. Even as China has strategic interests in its engagements with North Korea, globalization influence cannot be downplayed.

Interested in assuring North Korea's stability as a buffer state, increasing leverage over the Korean Peninsula, and expanding its influence in the region, China has a strategic interest preserving Northeast Asia's status quo (Ahn and Kim 2010). China and Russia rely on North Korea as a buffer state between themselves and the dangerously appealing middle-class, vibrant, pro-American democracy that is South Korea. Moreover, if the North Korean regime was to crumble China would face perhaps millions of North Korean refugees streaming across its border (Kaplan 2009). For these reasons, China and Russia have worked tremendously hard to ensure that sanctions against North Korea are not as acute as anticipated. In the case of Syria, the EU sanctions include an arms embargo, travel bans and asset freezes on around 50 businesses and 150 individuals. Apart from the Syrian Accountability Act (SSA) as the dominant and comprehensive sanctions enacted in 2004, the EU sanctions against Syria came amidst allegations that Bashar al-Assad is clinging to power despite a 17 month uprising against him. However, the Syrian sanctions have failed to be so severe and devastating as the US would want them to be mainly because Russia and China have been vetoing against tighter measures.

Decades-long sanctions failed to lead to political implosion in North Korea because China and Russia have been consistently pumping the constantly deflating tube of North Korea's resources. This is not to forestall sight of the latent domestic fractionalisation emergent within North Korea since the 1950s stationing of over 38000 US affiliated troops at the dividing 38<sup>th</sup> Parallel under General Douglas McArthur. Neither is this view intended to facade the underlying rumble of rhetoric, propaganda and social dissonance within North Korea or the despotic tendencies which gradually compounded within its borders at the behest of junta rule. Most sanctioned, marginally developing countries with high economic growth prospects, especially driven by a fundamentalist religious mission or a policy of conquest, have brushed feathers with nuclear weapons technology. This is because sanctions guarantee the absence of guarantees to national security against a backdrop of capitalist propensities and Western aggression.

### **1.3.4 Iranian Sanction in the Global Era**

Iran was not spared from the sword of Damocles, which manifested itself through the United States sanctions. One of the reasons for the imposition of Iranian sanctions was to overthrow the Iranian regime (Larson 2001). After the failure of Iran's US backed White Revolution, the Tehran regime which was established in 1979 maintained an antagonistic United States stance in its posture and policies and consequently the major goal of successive United States governments has been to overthrow the Tehran government. China has harvested and is still doing so from the western sanctions imposed on Iran both for the benefit of Iran and that of China. However, what is notable about this relationship is how the use of sanctions as a foreign policy tool towards Iran by US has been rendered ineffectual by the presence of China. Reports state that China National Petroleum Corporation's (CNPC) trading unit, has sent 600,000 barrels of refined products to Iran in two \$55 million shipments in 2009, while the trading unit of Sinopec, UNIPEC, has also agreed to sell 250,000 barrels to Iran through a third party in Singapore (Rizvi and Dadwal 2010: 11). These sales are reported to have replaced Malaysian exports to Iran following US pressure. Given that Chinese foreign policy has made the acquisition of energy resources a primary goal to ensure its energy security priorities and also China's extensive economic involvement in Iran, it is only expected that Beijing will take advantage of the opportunity provided by the US sanctions regime.

In the past China has done business with other sanctioned nations such as Sudan, North Korea and Zimbabwe. Despite displaying ambiguity about dealing with Iran on the part of Indian firms, Chinese firms appear undeterred. The records have revealed sanctionees' growing dependence on China both as a market and as a critical source of consumer and industrial goods. While Iran's economy is still growing by 2-3% annually as of 2013 according to the International Monetary Fund, the level is never sufficient to stave off high unemployment rate, particularly among the young people. Corruption is also on the rise as Iranian domestic actors compete for scarce resources and this has become an increasingly contentious issue in Iran's unsettled domestic politics. Despite all this, Iran appears to have sufficient material and currency reserves to pay off the critical constituencies and maintain a lid on popular unrest and riots.

The fact that the impact of the sanctions is failing to breed the necessary unrest to topple the regime or make it change its nuclear policy points to the failure of sanctions as of now. This is owed partly to the trade policy of China towards Iran in particular and globalisation in general. The United States of America is unable to control the bulk of Iran's interactions, trade and interdependence with other countries and hence its sanctions are not yielding much fruit.

In actual fact and in retaliation Iran imposed country sanctions against the United States and after 2011 Iran adopted a much tougher stance on the United States. Iran even threatened to close the Strait of Hormuz. In addition to that, India, just like China, has maintained economic ties with the Islamic Republic. India has an ambivalent perspective of sanctions in general and especially when they target any Third World country like Iran (Slavin 2011:9). India has a background of victimization by a round of penalties from the Europe and the US following her diversion of a civilian nuclear infrastructure to weapons. Apparently the implications of such a situation is that, while several Western powers may halt exports of refined oil products and other cargo to Iran, the gap has been quickly filled. Besides China and India, Venezuela, has since indicated its willingness to support Iran with necessities. This is confirmed by the offer made by the Venezuelan President, Hugo Chavez, to Iran. The late president announced that his country would offer 20,000 barrels per day of refined petroleum products to Iran in September, 2009. Such an offer, which resembles the intricacy of commercial diplomacy necessitated by globalisation work against the effectiveness of sanction (Available at: [www.tehrantimes.com](http://www.tehrantimes.com)).

The EU is deeply divided with regards to the sanctioning of Iran. Such divisions and insufficient unanimity is natural in any political setting from the realist viewpoint as each administration across the EU pursues own national interests. Turkey also, one of the economic powerhouses, does not appear to be convinced by the stance adopted by the Western countries. This is confirmed by the Turkish Foreign Ministry spokesperson Selcuk Unal who made it clear that Ankara is not committed to sanctions by the US and its European counterparts targeted on Iran. Currently Turkey and Iran maintain sound economic ties (Available at: <http://www.reuters.com/article/2012>). Meanwhile, with intensifying globalisation, the issue is not with South West Asia alone, even some EU member countries have maintained a unique stance. Spain, Italy, Greece and the Netherlands are among the largest importers of Iranian oil and are seeking a slow and gradual implementation of an oil embargo.

Their currently troubled economies need time to deal with the direct repercussions of the embargo on the Iranian oil. Greek officials have reiterated that the country imports around 40% of oil from Iran and intends to maintain this smooth flow without disruption and with the same funding terms. In summary, China gets 22% of Iranian oil exports, whilst South Africa gets about 4%, India receives 13%, the E.U. 18%, Japan 14%, South Korea 10%, Taiwan 1%, Turkey 7% and Sri Lanka 2% (Available at: [www.understandingwar.org](http://www.understandingwar.org)). Other countries that also import substantial volumes of oil are Pakistan, Singapore, Malaysia and Indonesia. This situation works thoroughly against the success of the international sanctions regime directed on Iran.

From another angle of analysis, Brazil along with Argentina and other significant global players in as far as the undermining of sanctions regulations is concerned are playing a very significant role. The duo was responsible for close to 96% of the rest of Latin American trade with Iran, thus producing approximately US\$1.2 billion worth of Argentine exports and US\$2.6 billion worth of Brazilian exports (Darembaum 2012). Through globalisation and despite international efforts to sanction and isolate the Middle Eastern country, Brazil exported more to Iran in the year 2011 than in the previous four years combined. In fact Brazilian exports to Iran increased by over 326%, compared with 2010, while Argentine exports to Iran grew by about 937% (Darembaum 2012). More recently, in the third quarter of 2012, according to estimates, Argentina and Brazil accounted for roughly 93 % of all Iranian soy-oil imports. Most of that soy oil came from Argentina, which supplied 129,000 of the 202,000 tons that Iran imported. Brazil contributed 59,000 tons, and Paraguay contributed another 14,000 (Darembaum 2012). The sanctions' primary goal is to suffocate Iran's economy, and to do so quickly. Given such a case then, the rapid growth of Argentine and Brazilian exports to Iran would be a matter of some concern to the sanctioners.

Globalisation is also sabotaging the prospects of sanctions in a big way due to the mighty position that Trans-National Companies (TNCs) were able to claim in the global economy. The utility of sanctions is greatly affected by the existence of a multiplicity ties and interactions linking people, firms, and institutions across national borders. MNCs and migrant entrepreneurs, in particular, engage in economic activities that sustain transnational flows of hard currency and provide target states and their citizens with desperately needed sources of external financing. This sort of scenario perfectly applies to the case of sanctioned Iran. Numerous Multinational Companies (MNCs) are flouting international sanctions regulations, for example the Iranian Transactions Regulations as defined by the U.S. Department of the Treasury's Office of Foreign Assets Control. U.S. sanctions on Sudan often ended up transferring business from American firms to foreign competitors in the same market. MNCs operating in Third World countries move in swiftly with the blessings of the target regime to replace Western trade and investment. Ultimately, the MNCs take advantage of the target regimes' strategic decision to invite foreign investment in a way to cope with intensified Western pressure.

In short, while USSR frequently served as a "black knight" in the Cold War era international relations, the BRICS (Brazil, Russia, India, China and South Africa) states have assumed the same role in the 21<sup>st</sup> century globalized world economy.

#### ***1.4 Sympathisers: Economic Powerhouses***

In spite of questioning the effectiveness of sanctions in a global era, the globalization era has witnessed an astronomical leap in the imposition of sanctions by the United Nations Security Council (UNSC) and the US and other actors on the international scene. Countries that have received United Nations sanctions include Afghanistan, DRC, Eritrea, Ivory Coast, Iran, Iraq, Lebanon, Liberia, North Korea, Somalia and Sudan. Countries under the United States sanctions include Balkans, Belarus, Burma, Cuba, Democratic Republic of Congo, Iran, Iraq, Ivory Coast, Lebanon, Liberia, Libya, North Korea, Sudan, Syria, Yemen and Zimbabwe (Hufbauer et al. 2006). Between 1990 and 2004 the United Nations Security Council imposed travel bans to Libya (Resolution 748 in 1992), Liberia (Resolution 1343 in 2001 and Resolution 1521 in 2003) Haiti (Resolution 917 in 1994), UNITA (Angola) (Resolution 1127 in 1997), Sudan (Resolution 1054 in 1996), Sierra Leone (Resolution 1132 in 1997 and Resolution 1171 in 1998) and Afghanistan (Resolution 1333 in 2000, Resolution 1390 in 2002 and Resolution 1526 in 2004).

A number of countries such as Brazil, China, India, South Africa and Russia have been found offering assistance to a host of countries under sanctions. The support offered by these countries is very central in sanctioned states' resistance and ability to withstand the impact of sanctions both from an economic and symbolic point of view.

In the case of Zimbabwe, neighbours like South Africa, Zambia and Mozambique continue to offer political support to ZANU PF. From Cuba to North Korea to Iraq to Burma to Sudan and now to Zimbabwe, the record shows that sanctions are ineffective in forcing authoritarian regimes to change to democratic states as per the requirements of the senders of the sanctions themselves in a global age. Similarly, from Cuba to North Korea to Iraq to Burma to Sudan and now to Zimbabwe just to mention but a few, China and its allies have been and still are providing assistance to these countries under the yoke of sanctions.

Although it is important to note that the role of China as a saviour on sanctions also has to be taken on a case to case basis. China is a neighbour to North Korea and if they do not take an interest in what is happening there then Europe and America will take an active interest through South Korea which proves to be unwise. China has historical relations with countries for example Zimbabwe has a long history of collaboration and friendship dating back to the liberation struggle. It may also be the fact that now that China is now the second largest economy in the world it has its own geo-political interests about securing access to resources and compete with America and Europe. As part of that competition it takes the stance of assisting sanctioned states. Disregarding, the myriad arguments put forward to explain China's behaviour, the significant aspect to be noted is how a majority of the sanctioned states have been able to cushion the impact of sanctions through the assistance of these well-wishers courtesy of the global village.

China has been instrumental in curtailing the effects that sanctions might impact on North Korea. China is thus serving as an economic and technological messiah. The imposition of sanctions is unlikely to cause positive behavioural changes with regards to North Korea, and even though advocating their imposition notes that they may lead to war rather than a collapse of the regime. Furthermore, China is opposed to further tightening of sanctions on Burma. Similarly, China's relations with sanctioned Burma are the closest of any it has in Southeast Asia, as these include political and military support. Just like in the case of Zimbabwe, Burma is a playing ground for the two major powers that is China and United States.

Chinese and US relations with Burma just like Chinese and US relations with Zimbabwe, more than those with any other state in Southeast Asia (former) and more than those with any other state in Sub-Saharan Africa (latter), recall the struggle for power and control (unipolarity). The US stance to lift off completely sanctions on Burma has been greeted with great enthusiasm by the Chinese government. Because of its veto power status, China cannot afford to vote for further economic or military measures against Burma. Burma's economy also stands firm due to its trade with China. Burma is also involved with illicit arms trade with Syria and North Korea, rendering the sanctions less effective. On the other hand and in a similar case, the political effect of sanctions against Burma has been the strengthened relationship between Burma and China since China is now one of the largest political supporters of the Burmese regime and an important supplier of military equipment. Sanctions create trade diversion and impose costs and welfare losses for the whole economy.

Of Burma's fellow members of the ASEAN, only the Philippines has so far responded to recent developments with robust public criticism. China and India are particularly craving for Burma's natural gas supplies whilst Russia is Burma's main arms supplier and has cooperated with the regime on nuclear research.

### ***1.5 Other than Globalisation...***

As demonstrated earlier on globalisation stands out as one of the most important factors playing havoc with the effectiveness of sanctions without which they would have the intended effect. However, it would be a misrepresentation of fact not to acknowledge other domestic and international factors that account for the inefficacy of sanctions. The long and short of it is that there are some variables that, despite sanctions imposed in a globalised world still enable a sanctioned country to survive. Such factors include a country's specific national endowments, national interests.

The fact that prior to the imposition of sanctions in Zimbabwe, the economic base was relatively strong otherwise made it possible for Zimbabwe to weather the sanctions storm. Comparisons can be drawn therefore with neighbouring states such as Malawi or Zambia, for example, which are as landlocked as Zimbabwe. It would be difficult for these countries to survive sanctions for instance to the same extent as Zimbabwe did because of the differences in economic base. Ninety percent of the Malawian budget for example is donor-funded hence if Malawi was to be sanctioned the possibilities of it being able to weather the sanctions would be very slim if not next to none. This is completely different from the Zimbabwean case.

It is a given that sanctions are a foreign policy instrument and reflect the domestic interests of the sanctioning country hence it can be argued that sanctions busting by China or Russia is also an extension of their own domestic interests e.g. military, strategic, economic e.t.c. Against this background therefore it can be said that it is not just globalisation per se that blunts sanctions but that sanctions-busting can be a 'profitable' business. It is indisputable that China, for example, has benefited enormously from the sanctions regime imposed on Zimbabwe and lucidly this has little to do with globalisation and more to do with the aggressive pursuit of national economic and strategic interests of China. Similarly this can be said about China in all the other states that it is offering assistance such as Burma, North Korea among others. In short, attention to factors *other than* globalisation that militate against the efficacy of sanctions in specific contexts needs interrogation as implications for further research but this article will acknowledge that the role of globalisation in rendering the effect of sanctions obsolete is very evident and pronounced.

### 1.6 Conclusion

This paper concludes that the utilisation of sanctions in a globalised world will not achieve the intended effects due to the complexities emanating from interdependence resulting from globalisation. It is of paramount significance to comprehend that generally sanctions have been useful in few occasions in the pre-globalisation era but very important to note is that the globalised era has further rendered the utility of sanctions more ineffectual. This has prompted a critical interrogation of sanctions utility in the globalised era. Could it be that the use of sanctions in the globalised era is a futile exercise that may attract commentaries such as the complete abandonment of such a policy? Sanctions may only be effective if they are comprehensive, the sanctioned state has virtually no allies, which is not only a rare phenomenon, but a fallacious one in this age on the international plane. The imposition of sanctions on countries such as Zimbabwe, North Korea, Burma among others has had very limited effects due to this inter-linkedness and interconnectedness of states. Globalisation has thus been perceived to minimise the supposedly effects of sanctions as the sanctionees will turn to alternative partners and the fact that no country is self-sufficient in all aspects has made sanctions lose their lustre. China is acting both as a buffer state between the sanctioners and the sanctionees and as an economic saviour mainly to the sanctioned states.

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