Chapter 7

Conclusions and Policy Recommendations

Economic Coercion in a Spartan Fashion

Economic coercion, as an option in international diplomacy, has been in existence since the Megarian Decrees of 435 BC. Many historians debate whether these decrees, which acted to prohibit Megarians from using Greek ports or markets, initiated the Peloponnesian War. Current economic powers continuously debate over how to impose sanctions on upstart, rogue nations, remaining somewhat divided on actions and perceived consequences. North Korea’s missile and nuclear tests in 2006 showed the world three key aspects of economic sanctions and statecraft, as the United Nations debates new measures.

The first is how sanctions walk a fine line between economic coercion and provoking war; the current case of North Korea and the Megarian case parallel each other in this way. “It does seem clear that in imposing restrictions of Megarian trade the Athenians were seeking a middle course. To have done nothing may have encouraged hostility to Athens, whereas resorting to the military option would have violated treaty obligations and provoked a military response from Sparta” (Simons 1999, 14). War is a constant specter hanging over many sanctions, though some targets cast a much longer shadow than others concerning geopolitics.

Second, certain target countries feel the weight of sanctions over time and retaliate. North Korea, under full U.S. financial sanctions since 1993, repeatedly states she is willing to negotiate over missile and nuclear programs if the United States began to lift its financial embargoes. This shows that current sanctions are having some political effects, pushing North Korea to develop a bargaining chip for the negotiation table. However, are they hurting the regime, the people,
or both? If Kim Jung Il is willing to provoke a military episode, it seems that sanctions are hurting the regime; war is likely to be very detrimental to the North Korean people ultimately. The UN reaction to the July 2006 missile tests, which the international community agreed was itself a move of North Korean statecraft to awaken the world, was initially split. China and Russia, two of North Korea’s major trading partners and historic sources of military hardware, refused to initially endorse Security Council Resolution 1695 to impose sanctions on Kim Jung Il’s nation in 2006, while Western Europe, South Korea, Japan, and America pleaded for this resolution.

Third, economic statecraft struggles to achieve political goals when the bar is set too high. Analogous to Cuba, Libya, Iran, and Iraq, it is unlikely that North Korea’s international stance will change before the death of its current leader, a death that does not guarantee the regime’s demise. If the sanctions had worked correctly, vis-à-vis their stated goal, the brinksmanship of 2006 would not have occurred. However, this is the bane of economic statecraft: focus on a political goal is unlikely to be consistent or precise. As in Ancient Greece, economic coercion can provoke exactly what it is trying to avoid. That leads to a classic and constant question in this literature.

**Are Sanctions Effective?**

This text outlines the political economy of economic sanctions, where the perspectives and studies are wide in academic genesis, focused throughout on what sanctions do. In a time where the world powers have generally moved away from the military option unless provoked, and where the United States has become the world’s leading sanction sender, three basic economic ideas drive the literature’s generalization that sanctions are ineffective. First, sanctions credibly reinforced by military options make economic coercion meaningless. Sanctions are no longer a precursor to military conflict; they have become a substitute or complement for military conflict. The empirical analysis of chapter six suggests that U.S. import sanctions have shown humanitarian and political effectiveness, while export and financial sanctions are mixed in their effects. Since most sanction packages are a mix of tools, this ambiguity may lead to these perceptions of ineffectiveness.

Second, the inability to gain enforceable international coalitions implies there are many third-party options for targets to circumvent sanctions further, reducing the credibility of sanctions. Ownership of a highly demanded, natural resource, for better or worse in our world, provides some insurance against effective sanctions. Nigerian sanctions