Chapter 1

1.0 Background of the Problem

Powerful countries, regional organizations and the United Nations have in various instances resorted to the use of sanctions as a foreign policy tool to influence the behavior of the targeted states. As observed by Decaux (2008:1), “Since the emergence of state system, states have, either individually or collectively, adopted a range of reactions against the perpetrator of an internationally unlawful act in order to ensure respect for and performance of a right or obligation”. Sanctions are sometimes referred to as coercive diplomacy. Decaux (2008: 1) notes that, “sanctions are generally a legal policy tool under international law only if sanctioned by the United Nations (UN)”. In the UN charter, sanctions are set out in chapter six as a peaceful means of settling inter-state and intra-state disputes as well as ways of changing the behavior of rogue states. Between 1945 and 1990, United Nations Security Council (UNSC) adopted sanctions in two instances, that is, against Southern Rhodesia which is now Zimbabwe and on South Africa during its apartheid years. More so, out of the hundred and fifteen (115) cases that the United States of America (US) employed economic sanctions since its coming into being, sixty one (61) of the cases occurred from 1993 to 1996. According to Drezner (2003: 56), he notes, “By a certain count, over seventy five (75) countries are subjected to or threatened by US sanctions.” However, the number must have increased over the years, to also include Mali, Madagascar and Syria among others.

Many researches on sanctions have been carried out. While a majority of these studies have analyzed the effectiveness and effects of sanctions and consequently dismissed them as either, ineffective and/ or counterproductive in most cases, this seeks to understand the prospects of sanctions and their utility in statecraft and international relations given the contemporary context which is chiefly characterized by the diffusion of power and influence thus nonpolarity. Hass (2008: 1) precisely states, “Unlike a multipolar world, the new nonpolar world is dominated not only by one or even several states but rather by dozens of actors. In contrast to multipolarity, which involves several distinct poles or concentrations of power, a nonpolar international system
is characterized by numerous centers with meaningful power”. Haas (2008: 1) elaborates, “In a multipolar system, no single power dominates, or the system will become unipolar. Nor do concentrations of power revolve around two positions, or the system will become bipolar. Multipolar systems can be cooperative, even assuming the form of a concert of powers, in which a few major powers work together on setting the rules of the game and disciplining those who violate them. They can also be more competitive, revolving around a balance of power, or conflictual, when the balance breaks down”. This scenario has had strong positive and negative effects on the use of positive and negative incentives in international politics.

There are many power centers in the twenty first century international system as categorically stated by Haas (2008: 1). Besides that, nation-states have lost their monopoly on power and their influence in the international system is set to decline as that of non state actors continue to increase. This emerging international order has immense impact not only on the effectiveness but also on the existence of sanctions on the table of statesmen and their diplomats. To a considerable number of analysts, the overreliance on coercive diplomacy by western policy makers is indeed puzzling. This becomes so following the scholarly inquiry and assessment of economic sanctions is that they often fail to yield projected significant concessions. There is a long and distinguished line of authors who argue that sanctions do not work in various contexts and for various reasons. This research seeks to assess the utility and futility of sanctions in a nonpolar environment. The Islamic Republic of Iran stands to be a suitable case study to inform the conclusions of this research on the actual position of sanctions and their effectiveness, in this age of nonpolarity.

1.1. Statement of the Problem

The principal characteristic of twenty-first-century international relations is turning out to be Nonpolarity, thus, a world dominated not even by a single or double or a plurality of states actor but instead by dozens of both state and non-state actors holding and unleashing various sorts of power. This represents, according to Hass (2008: 1), a tectonic shift from the past. The twentieth century is argued to have begun uniquely multipolar. However, following a period of almost half century, the two world wars and numerous smaller intra and inter-state conflicts, a bipolar
system had to emerge. Also, succeeding the Cold War and the demise and disintegration of USSR, ultimately resulted in unipolarity, which meant an international system that was dominated by one state, in this case it was the US. But today power is confusingly diffuse, and the beginning of nonpolarity raises a number of critical academic questions and one of them revolves around diplomacy.

Despite this new and unique international political environment, international relations actors have continued to adopt sanctions against ‘rogue’ states. With the end of the multipolar system and the emergence of a nonpolar age, the continued use of sanctions may appear to be unwise since the targeted entity is now able to explore the various networks and avenues to cut its government and economy from the imposed sanctions. The record of sanctions in terms of performance is critically dismal. In Drezner (2003: 21), it is stated that Gary Hufbauer, Jeffrey Schott and Kimberely Ann Elliot surveyed the use of sanctions from 1900 to 1990 and declare a success rate of 34% and 24% for sanctions imposed after 1973. Surprisingly, Robert Rape (1999) argues that the above trio is far too generous. Rape’s critical assessment of data concludes that only 5% of sanctions attempt succeeded. The assumption that underlies the current study is that given the dismal performance of sanctions in both bipolar and multipolar systems, coercive diplomacy may hardly claim any degree of success in the unfolding nonpolar system.

Haas (2008: 8) has also made it clear that the age of nonpolarity complicates diplomacy, with coercive diplomacy included. Drezner (2003: 21) argues that the imposition of sanctions represents a deadweight loss of utility for both the sender and the target in the form of disrupted economic exchange and it is along such lines that this research attempts to dismiss the possibilities of achievement of desired goals and objectives by the sender. Given sanctions’ dismal performance, what then has inspired UN, EU and US sanctions against Iran in the age of nonpolarity? Again given this nonpolar dimension that the international system has assumed, is the performance of sanctions more likely to be enhanced or undermined?
1.3 Objectives of the Study

This study seeks to achieve the following:

(i) To explore the relationship between sanctions and Nonpolarism in the international system.
(ii) To analyze the various forces which are working at undermining the relevance of sanctions in the international system?
(iii) To explore other alternatives at the disposal of policy makers in light of the Iranian case.
(iv) To assess whether or not Iran will survive the consecutive rounds of sanctions by the UN, the US and some European countries.
(v) To explore the rationale behind the continued use of sanctions in a hostile system of nonpolarity.
(vi) To understand the counter measure and mechanism by the target states that it employs to repel the adverse consequences of sanctions.

1.4. Research Questions

This research project aims at answering the following research questions:

(i) What is the effect of nonpolarity on the use and effectiveness of sanctions?
(ii) What is the rationale behind the use of sanctions in the age of nonpolarity given their poor success rate?
(iii) Can sanctions remain to be an option as a foreign policy tool to influence the behavior of other actors?
(iv) What are the other more viable alternatives available besides sanctions in the current nonpolar context?
(v) Are sanctions contributing towards the resolution of the crisis or rather worsening the situations they attempt to ameliorate in light of the Iranian case?
What is the impact of sanctions on the networking abilities of the targeted state, governments and individuals in this age of nonpolarity?

**1.5. Hypothesis**

Nonpolarity undermines the rationale, use, relevance and effectiveness of sanctions.

**1.6. Justification of the Study**

Vast literature has endeavored on the effects of sanctions as a foreign policy tool. Researchers have sought to dwell on the successes and failures of sanctions in various countries, cases and situations. Some research studies have attempted to reveal the link between sanctions and development, human rights and democracy. Others have investigated the effectiveness of sanctions in the just ending international system (multipolar). This research seeks to contribute to the existing literature on nonpolarity and the hotly contested sanctions regime with a particular focus on the Islamic Republic of Iran. The concept of nonpolarity is a newly emerging one that explains the state of the current and future global order and little has been written or seriously researched on this and its consequences on sanctions as a foreign policy tool.

Against the background of the poor performance of sanctions and the emerging nonpolar world, it is of critical importance and contribution to have a critical assessment of the prospects of sanctions as a tool at the disposal of foreign policy makers and implementers in the international system. The findings and conclusions of this research would be of use as well as of critical enlighten to international relations actors who use sanctions in practicing their foreign policy. The research findings will inform these on the feasibility and fashionability of sanctions in the age of nonpolarity. This research is set to conclude whether or not the sanctions have out lived their usefulness or overstayed their welcome in the foreign policy circles.

As stated, a majority of literature and researches have explained the performance of sanctions on the basis of multipolarity, unipolarity and the humanitarian, political and economic consequences of sanctions. There is therefore limited research on the relationship between non-polarity,
globalisation and complex interdependence with sanctions and that justifies this research and sanctifies it among previous researches.

1.7. Theoretical Framework

Interdependence is characterized by reciprocal effects among countries and actors in different countries, these effects result from the international transaction of the flow of money, goods, people and messages across boundaries as noted by Keohane and Nye (1977: 78). The theory of complex interdependence is based on three assumptions. The theory of complex interdependence stresses the involvement of a multiplicity of channels. This assumption rejects the realist view that states are the dominant actors in international relations. This is the most important and relevant view in this theory that is guiding the analysis of the current study. This view concurs with the definition of nonpolarity which also points to the presence of multiple channels and power centers in contemporary international relations. These can either promote cooperation or undermine it and this applies in the imposition of sanctions.

The absence of hierarchy among agendas in international relations is another assumption made by complex interdependence theorists. Keohane and Nye (1977) note that the foreign affairs agenda has become too large and extremely diverse to be easily understood and manipulated. Nonpolarity has as well complicated diplomacy and will continue to do so as observed by Hass (2008: 8). The problems of energy, resources, environmental pollution and degradation, the use of space, terrorism, drug, arms and human trafficking have diminished the role of states giving room for international organisations which have altered the world order. These problems are results of many complex contributory factors and their successful resolution can not a preoccupation of one actor. In fact, they require cooperation of relatively many states and non state actor as well as governmental organisations, which cooperation is not easy to ensure.

Another assumption made by complex interdependence theorists is that the role of the military role played by states is now minor according to the concept of interdependence. This view conflicts with that of Waltz and other realists who claim that military force is still a usable and more effective policy tool. However, it is argued in the mentioned theory that in international relations, fears of attack in general have declined and in some circles are generally non-existent.
This view may be informing the resilience of some relatively less powerful states which can willfully and consciously, with unimaginable levels of determination, acting in defiance of international sanctions and set and standards. These states, which are referred to by Sanctioners as rogue states such as Iran and North Korea, do not imagine an easy military operation against them although such a myopic view of things can not wholly explain their rhetorical attacks and behavior.

Interdependence is also facilitated by the process of globalization. Dahlman (2002) defines globalisation as “a process of interconnectedness of nations which comes in the form of political, social and economic and technological activities”. This entails the intensification of world-wide social and economic relations which link distant locations. Like nonpolarity, it is viewed as the forging of a multiplicity of linkages between states and societies which make up the modern world system. This research seeks to then assess the impact of these linkages on sanctions so as to validate the rationale of the later in the emerging world order.

1.8. Literature Review

A number of studies have rigorously researched on the effectiveness of sanctions but little has been done on nonpolarity. Nonpolarity is argued by some to be complicating diplomacy (R. N Hass 2008). A number of analysts and historians have predicted the age of nonpolarity. Some have written intensively on globalization and complex interdependence to describe the interconnections in the international system which are altering the traditional patterns and order in the world (Keohane and Nye 1997 and S. P Huntington).

The motive of other researches was to identify the best conditions under which sanctions can achieve best results (Schott and Elliot 1990). From these researches, a majority of authors have concluded that sanctions work in rare cases (1995; Hass 1997;) with a few concluding that sanctions should not be easily dismissed as they have achieved positive results (Rowe 2000; Selden 1999). Sanctions have recorded a success rate of about 35% yet still some critics have indicated that the success rate of sanctions has been overstated. Another group of sanctions experts have analyzed how the type of sanctions (Cortright 1999: 54) (whether comprehensive or targeted) impacts on the efficacy of sanctions. A significant portion of studies trace the development of the sanctions regime pointing out how the flawlessness of the sanctions regime
led to their evolution (Bonetti 1997). In some instances, focus is on the relationship between economic coercion and foreign policy, that is, either how the former is used as a tool of foreign policy (Hass 1998; Hufbauer, Clyde and Schott 1985).

Consequently some studies have identified and analyzed the negative unintentional effects. These unintended outcomes include the amplification of conflict (Kreisberg 2003), death of people (Mueller and Mueller 1999; Daponte, Osborne and Garfield 2000; ), citizens rallying around the flag or nationalist response, in which a population under threat unites around its leadership which is a close to accurate description of what is happening in Iran and Zimbabwe as well as North Korea.

1.9. Methodology

1.9.0. DATA COLLECTION METHODS

The researcher will use a variety of methods to obtain data for the research. The research mission will be undertaken in Zimbabwe (Harare) and Iran if resources so permit. Qualitative methods will be put to use .Tables, annexes, graphs, maps and pie-charts will be used to present research findings and results. Information will be obtained from both secondary and primary sources of data. Text books from the library (e.g. the cultural center of the Islamic republic of Iran), electronic journals, newspaper articles, magazines and other journals will be made use of. A case study is also one way analysis of this research is going to use that is Iran and a cross reference of Zimbabwe and North Korea.

Furthermore the researcher will rely heavily on in-depth one-on-one interviews to the targeted individuals and other participants (e.g. embassy officials). Full anonymity will be granted to those who will be interviewed. Structured questionnaires with close-ended questions and coded responses will be used. During the interviews the researcher will use interview transcripts, field notes, policy documents, photographs and video footages.

The researcher will also use the observation approach in order to assess the living standards and the socio-economic atmosphere of the Iranian citizens. The observations to be done would be on the basis of the assumptions built on the theories. All the questionnaires will be written in
English since the majority of the respondents can speak and understand English. The researcher will also request permission from the responsible university and relevant authorities.

1.9.1 SAMPLING TECHNIQUES

Sampling entails the selection of the specific research participants from the entire population and is conducted in different ways according to the type of study. Time, cost and inconvenience forbid contacting every individual, thus justifying the gathering of information about only part of the group in order to draw conclusions about the whole. The sampling plan considered for this study is non-probability sampling or purposive sampling class. According to Williamson (1997:111), purposive sampling refers to a judgmental form of sampling in which the researcher purposely selects certain groups or individuals for their relevance to issue being studied. The study utilizes the mentioned technique to select eminent academics in the field of international relations in general and foreign policy in particular. The technique also allows the researcher to flexibly select embassy officials of various missions who might give useful information.

Purposive sampling method is less complicated, less expensive and may be done on a “spur-of-the-moment” basis to take advantage of available and perhaps unanticipated respondents without the statistical complexity of probability sampling (bailey 1994). It is against these merits of convenience, cost-effectives that leads the researcher to consider the embassy of the Islamic republic of Iran in Harare and Iranian citizens for primary information.

1.9.2. DATA ANALYSIS

Banche (2006) notes that, “The main objective of data analysis is to transform data into meaningful forms in order to analyse the original research questions”. The researcher will use, content, domain, discourse and thematic analysis to analyze data. After collecting data using various methods for instance interview transcripts, field notes, policy documents, photographs and video footages, the researcher will focus on identifiable themes, pattern of behavior and or behavior. The major task is to identify patterns and linkages. Thematic analysis also involves the application of codes to the data obtained in order to ascertain if there are any patterns in the interviewees’ views or responses. A valid argument is then built after identifying the themes and
reading related literature. By reading the related literature the researcher will be able to make inferences for the interviews undertaken hence conclusions can be drawn from interweaving the findings and theoretical literature. The hypothesis will be analyzed within these parameters to check its validity.

1.10. DELIMITATIONS

This research shall dwell on issues to do with sanctions in the age of nonpolarity, thus the impact that nonpolarity holds on all kinds and forms of sanctions.

However, it is worthy to note that while the bulk of the analysis is going to be based on the Iranian case, North Korean and Zimbabwean cases will be used as cross references in assessing how the various power centers in a nonpolar system are affecting sanctions of all kinds, forms and types.

1.11. LIMITATIONS

Sensitivity of some issues surrounding the topic may preclude some participants in this research to fully and honestly disclose information which would be of relevance to the research.

Accessibility of other non-state actors relevant to this particular topic may be a challenge. Some individuals and organisations (respondents) may not be readily available due to their distant locations or simply because they are totally inaccessible for example scientists and terrorist organizations that are allegedly linked to the Iranian nuclear program.

Some politicians and embassy officials may cite busy schedules to justify their reluctance to be interviewed or to participate in the research.

This research runs a risk of being subjected to biases or subjective viewpoints. This turns to be so since the majority of the participants of this research are either politicians or diplomats who are
perhaps directly interested parties or stakeholders in the issues under investigation. Maximum levels of objectivity are therefore demanded from the researcher in the data analysis process.

Chapter 2

SANCTIONS: AN OVERVIEW

2.0. Introduction

Sanctions are often viewed as an alternative to military force. By punishing an offending party economically, socially, or politically, rather than militarily, those who impose sanctions hope to solve a conflict without the mass suffering and sacrifice required by war. Indeed, sanctions have sometimes been effective, and are widely used. But their use is much more common than their success. Studies indicate that only five to, at most, 30 percent of sanctions result in the desired change as indicated by Smith (2004: 01). Various authors argue that the use of sanctions also comes with significant risks. In this chapter, the writer defines sanctions of various types and kinds. The chapter also intends to examine the history and uses of sanctions and consider briefly some associated problems and risks. The chapter will not conclude before an analysis of the utility of sanctions vis-à-vis the age of Nonpolarity.

According to Decaux (2008: 249), “sanction”, which is generally defined as designating “a broad range of reactions adopted unilaterally or collectively by the States against the perpetrator of an internationally unlawful act in order to ensure respect for and performance of a right or obligation”. An Italian author, L. Forlati Picchio cites the doctrinal definition of sanctions, he notes that “A sanction would be any conduct that is contrary to the interests of the State at fault, that serves the purpose of reparation, punishment or perhaps prevention, and that is set out in or simply not prohibited by international law”. However, one can note that Picchio’s definition is weakened by its assumption that the target state is the one at fault which is relative, problematic and subjective altogether.

In the most recent third edition of Economic Sanctions Reconsidered, the authors, Hufbauer, Schott, & Elliot (2007: 3), define sanctions as "the deliberate, government-inspired withdrawal, or threat of withdrawal, of customary trade or financial relations." Sanctions may also mean the
punitive but non-military actions adopted in a sender state against a recipient state. It can also be mentioned that sanctions are also a game of "issue linkage," where the different actors may not be wholly cognizant of the other states’ goals as well as intended results as noted by Lacy (2004: 25-26). Sanctions create a pseudo-dialogue in the arenas of economics and trade between the sender state and the recipient state. Although in many cases sanctions are taken to be purely punitive measure, their actual aim is to effect changes in policy behavior, as opposed to inflicting pain though this is an unavoidable but normally unintended consequence of sanctions imposition.

In his article, M. Shane Smith (2004) explores the purpose of sanctions. Smith observes that sanctions involve one party attempting to change another party's behavior without the use of weapons or the military. Sanctions range from travel bans and arms embargoes, to complete trade bans. Sanctions often have uncertain and irreversible consequences and can cause great human suffering. However, they have also been successful in changing opponents' behavior as shall be demonstrated statistically in the current chapter. Sanctions and threats of sanctions have been credited with curbing human-rights violations, ousting belligerent leaders, and limiting the proliferation of weapons of mass destruction. The perception of doing something to punish a corrupt international government can be a powerful domestic incentive for leaders to implement sanctions. For instance, anti-Castro exiles in the United States have applied significant political pressure on American leaders to retain and even increase sanctions on Cuba.

In as much as the definition of sanctions is imperative, a critical examination of the forms of sanctions carries equal importance. The definition of sanctions proffered by Lance Davis and Stanley Engerman 2003, throws light to another category that is unilateral and collective. They declare, “Sanctions are unilateral or collective action against a state considered to be violating international law “designed to compel that state to conform [to the law]”. In his article, Do Sanctions Work, Iran, Proliferation and the US, Mathew Sugrue (2010) make efforts to delineate between what he terms Broad-Based Economic Sanctions (BBES) and Selective sanctions?

Broad-based economic sanctions (BBES), according to Sugrue, are government enacted measures on the importation and exportation of goods or services, which are used by the vast majority of the population, to or from a target country. BBES are argued to be frequently wide-ranging in their impact. They do not target specific chunk but instead aim at the movement of goods and services in which a broader group may hold some a financial interest. This type of sanctions relies on creating public pressure that will push the target government into making
particular concessions that are preferable to the sanctioning parties. In many instances, BBEs have had results opposite of their intended original aim. However, selective sanctions, are designed to inflict suffering on more specific targets, and may not involve restricting basic goods or services.

The term "selective sanctions," which is borrowed from Johan Galtung, is used to identify measures that are directed at specific persons or groups; such as the country's dictatorial ruler or the ruling apparatus. Adding to that, selective sanctions are specifically meant to lessen the economic collateral damage inherent in BBES, while maximizing the hardships, financial or otherwise, inflicted on the targeted state's leadership. David Lektzian and Mark Souva (2007: 849) argue in favor of selective sanctions that target a country's leadership. They propose, “Dealing with nondemocratic countries, states should avoid broad sanctions that impose high economic costs on the population at large because most people in the country are not part of the autocratic leader's winning coalition, so the economic costs imposed on the larger population do not translate into political costs for the regime.”

Examples of selective sanctions designed to affect the leadership with a minimum of deleterious effects on the population are those that freeze the foreign bank accounts of leaders, block government-owned banks from engaging in business abroad and blocking the ability of the leadership and their families travelling and studying abroad. These types of selective sanctions are far less likely to affect the general population of the target state, while ideally imposing untenable conditions on the leadership of the target state.

According to Chingono (2010) in an article Zimbabwe Sanctions: An Analysis Of The ‘Lingo’ Guiding The Perception Of The Sanctioners And The Sanctionees, “Sanctions are understood as embargoes covering a variable selection of goods and or services applied by one country or group of countries against another, aimed at influencing the latter’s behaviour”. She takes an EU conception of sanctions in describing sanctions imposed on Zimbabwe by the US and the EU and other western countries. While Sugrue (2010), lektzian and souva (2007) use the term selective sanctions, Chingono (2010) prefers smart/ targeted sanctions in describing sanctions of similar nature. Chingono (2010) propounds that a smart sanctions policy is one that, “imposes coercive pressure on specific individuals and entities and restricts selective products or activities while
minimizing unintended economic and social consequences for vulnerable populations and innocent bystanders”. She goes on to argue that this policy’s goals and objectives are achievable through travel bans, freezing of financial and capital assets, suspension of diplomatic relations and any kind of embargoes on the leadership or specified individuals of a targeted state. Chingono then agrees with lekztzian and soave (2007: 894) on the origins of smart sanctions as she claims that smart sanctions emerged amidst the growing concerns of the negative humanitarian consequences of comprehensive sanctions and they are considered to be a refinement of the conventional comprehensive sanctions.

Gary Hufbauer, Jeffery Schott, Kimberly Elliot Barbara also give other categories of sanction regimes. They further divide economic sanctions into two distinct categories they state that there are two types of economic sanctions that ‘Sanctioners’ can opt. Economic sanctions can comprise of trade barriers or embargoes, bans on both cash transfers and loans from senders’ financial institutions, and measures that prohibit access to senders’ assets. According to Hufbauer (2007: 3), Economic sanctions “mean the deliberate, government-inspired withdrawal, or threat of withdrawal, of customary trade or financial relations”. In addition to arms embargos, which restrict the import of weaponry, there are two main types of economic sanctions that are readily implemented in the international arena and these are trade and financial. Trade sanctions impose costs on the target country through “lost export markets, denial of critical imports, lower prices received for embargoed exports, and higher prices paid for substitute imports” as noted by Hufbauer (2007: 45). Financial sanctions imply the reduction or elimination of foreign financial assistance as well as freezing the target’s assets that are held abroad. Hufbauer (2007) argue that financial sanctions may be more effective than trade sanctions because they are easier to impose and to regulate. Iran, as shall be revealed later in the study, has been a victim of both trade and financial sanctions.

The term ‘sanction’ has seen numerous alternative terms being applied in its place. Some scholars like Baldwin (1985) use terms such as coercive diplomacy, economic coercion, economic statecraft and economic sanctions inter-changeably. Some countries and international organizations and regional blocks attempt to avoid the term sanctions and use some less direct and ‘sugar-quoted’ terms. Indeed, the term ‘sanctions’ is not primarily used since the EU prefer to use a concept of ‘Restrictive Measures’ (Sanctions), but the definition of these measures is
almost identical to the definition used by the individual member states and other sanctioning organisations such as the United Nations (UN). Legally speaking, the EU leans on Article 301 in the Treaty establishing the European Community which declares that a Common Foreign and Security Policy (CFSP) instrument can be imposed to interrupt or reduce, in part or completely, economic relations with a non-member state. In practice, this includes both embargoes on EU products and a ban on the import of products from the targeted country (www.consilium.europa.eu/uedocs/cms). Furthermore, the EU can restrict diplomatic contacts and instigate restrictions on the admission of individuals in EU territory. All in all, EU sanctions can be divided into the following types of measures, that is, arms embargoes, trade sanctions, financial sanctions, flight bans restriction of admission, diplomatic sanctions, boycotts of sport and cultural events, and suspension of co-operation with a third country.

With Iran there are four categories of sanctions as one would observe from this study. These are UN restrictions; EU restrictions; US restrictions and national restrictions. In respect of the latter, a number of countries have introduced or are in the process of introducing national legislation to implement international sanctions into domestic law and/or to introduce domestic sanctions packages of their own. As an example, recent press reports point to the effect that steps are being adopted by such jurisdictions as, Switzerland, South Korea, Japan Australia and Canada. These measures are said to be falling into line with the proactive approach that has been adopted at an international level to push Iran into complying with its various international nuclear obligations.

### 2.1. The Evolution and Record of Sanctions

The use of sanctions as a foreign policy tool did not start with the UN as conventional knowledge may want to claim. Sanctions in international politics are as old as state system itself. Studies reveal that sanctions have entered the diplomatic amour long before WW1. According to Hove (2012) in an article, *The Debates And Impacts Of Sanctions: The Zimbabwean Experience*, “In human history economic sanctions have been used in response to international crisis, as an alternative to the use of armed force for instance; Napoleon Bonaparte almost brought Britain to her knees through his famous continental system had the British not responded with counter-measures guided by the Orders in Council”. However Hufbauer, Jeffrey J. Schott, Kimberly Ann Elliott, Barbara Oegg (2007) dig way before Hove’s timelines as they note that this technique of
sanctions was even in use in ancient Greece. The most celebrated occasion was Pericle’s Megarian decree enacted in 432 BC in response to the kidnapping of Aspasian women.

Also Davis and Engerman (2003) in their article, *Sanctions: Neither War Nor Peace*, attempt to give a vivid evolutionary path of sanctions that leads to the contemporary times. According to the duo, economic sanctions consisted primarily of pacific Blockades in the nineteenth century. These blockades involved the deployment of a naval force by a country or coalition of countries to interrupt commercial intercourse with certain ports or coasts of a state with which these countries were not at war. Although most naval blockades involved wars, pacific blockades (a term originated about 1850 to distinguish those blockades within a declared war from those between nations legally on peaceful terms) evolved gradually over time as a coercive tool, short of war, designed to compel recalcitrant nations to pay their debts (often reparations) and to settle other international disputes. Such blockades were typically initiated by powers that were militarily much stronger than those of the targeted nation and in the exercise of the right to deploy the pacific blockades, “the tendency has been to regard the practice as a measure of international police” as noted by Davis, (1901: 267). However one can still argue that while pacific blockades needed powers that were militarily stronger than the targets, today’s sanctions also require countries that are relatively economically stronger than the targets lest the amount to futility.

Davis and Engerman (2003) hint that the first recorded pacific blockade dates from 1827, when, during the Greek fight for independence from Turkey, Britain, France and Russia deployed a fleet off the Greek coast to prevent the supply and reinforcement of the Turkish and Egyptian forces fighting in Greece. The two narrate, “Although none of the three major powers were at war with Turkey, and although their fleets were ordered not to fire a shot unless they were opposed, the allied admirals were apparently determined to force a battle with the Turkish fleet. Someone opened fire and the blockading force responded, although without any declaration of war. In four hours, in the battle of Navarino, the entire Turkish and Egyptian fleets had been sunk, with loss of somewhere over 7,000 men. The “great powers” lost no vessels and fewer than 200 men.” However the element of pacifism is feint the first pacific blockade was not quite pacific.
From 1827 until the outbreak of WWI, 21 pacific blockades were deployed. Formal legal discussion of the legitimacy of pacific blockades, or sanctions more generally, did not occur until the twentieth century with the formation of the League of Nations and then later of the United Nations. In the case of the League of Nations, the power to deploy sanctions was primarily embodied in article 16 of the League’s Covenant. That article authorized collective economic and military action against a state that resorted to war in disregard of the League’s Covenant. The covenant required states to settle disputes peacefully as observed by Borchard (1937: 528). The League of Nations undertook four cases of collective sanctions. The cases involve the following, in 1921 (versus Yugoslavia); 1925 (versus Greece); 1932–1935 (versus both Paraguay and Bolivia, to settle the Chaco War); and, most notably and most unsuccessfully, in conjunction with the United Kingdom against Italy in 1935–1936 after the Italian invasion of Ethiopia. In the latter case, sanctions failed because the other European countries refused to follow the restrictions imposed by the League.

According to Elagab, (1988: 200), In the case of the United Nations, the powers to implement and enforce sanctions, with armed forces if necessary, are rooted in articles 2(4), 39, 41, 42, 43 and 46 of that organization’s charter and in the Uniting for Peace Resolution of 1950. Article 2(4), as it has come to be interpreted, imposes no constraint on individual states undertaking coercive measures short of war. Under Article 41 of the UN Charter, the Security Council may call on Member States "to apply measures not involving the use of armed force to give effect to its decisions." The United Nations imposed sanctions only five times between 1946 and 1990: against North Korea, South Africa, Portugal, Rhodesia and Iraq. However, since the 1990s and primarily in Africa, the United Nations has become more active. The decade between 1990 and 2000 is even claimed by Hove (2012) as the ‘sanctions decade’. Hove argues, “It would be befitting to refer to the post Cold War era as the sanctions era. Several sanction regimes were adopted by the Security Council from 1990 to the present”. The trend was even maintained in the opening decade of the twenty first century as studies reveal. Sanctions were imposed against; Iraq (1990), the former Yugoslavia (1991), the Federal Republic of Yugoslavia (1992), Libya (1992), Somalia (1992), Haiti (1993), UNITA (1993), Rwanda (1994), Liberia (1994), the Bosnian Serbs (1994), Sudan (1996), Sierra Leone (1997), the Federal Republic of Yugoslavia

Although the international bodies have not led the way, the imposition of economic sanctions has increased dramatically in the aftermath of World War II. Including the eleven cases of sanctions imposed by the United Nations, often with a significant U.S. role, there were 15 cases in the 1950s, 20 in the 1960s, 37 in the 1970s, 23 in the 1980s and at least 50 in the 1990s Hufbauer, Schott and Elliott, 1990, p. 33; Elliott and Hufbauer, (1999: 404). Between 1960 and 1990, the majority of sanctions were imposed unilaterally, most frequently by the US, but in the 1990s, a large fraction were imposed by intergovernmental coalitions that is the EU as shown on fig 1 below. However one can observe that western scholars focus on sanctions by intergovernmental organization, paying only a special attention to the OAS, UN and EU sanctions. It is worth noting that SADC, and the AU among other regional groupings, also imposed sanctions. The mentioned two imposed on Madagascar that involved the severing of diplomatic ties after the civilian but military backed coup in 2009.

Figure 1
In addition, Hufbauer, Jeffrey J. Schott, Kimberly Ann Elliott, Barbara Oegg (2007) remind that sanctions enjoy a good reputation that many now question. Increasingly, critics charge that sanctions are cruel, unfair and even violent. Despite the UN charter that legalises the use of sanctions, international law has developed no further standards on which sanctions can be based or the destructive impact of sanctions limited. Hufbauer and colleagues note, “Ironically, then, sanctions are used to enforce law, but themselves are outside acceptable standards of law”. Can this be the reason for the poor performance of sanctions? This question prompts the writer to consider moving to the next discussion.

2.2. The Nature of Sanctions against Iran

A general consideration on the sanctions against Iran would point to the argument that these sanctions or measures imposed are overall multilateral in form and economic in character. They
present themselves multilateral because more than two countries and more than two actors in the international arena have legally, expressly and overtly imposed measures of some sort in one way or the other. The mere fact that the UNSC has adopted sanctions against the state of the Islamic republic of Iran clearly explains the multilateral approach employed in imposing the sanctions. They are also economic in the sense that a majority of measures target the economic and the financial sectors as shall be shown in the current chapter. Before one can examine the nature of these sanctions, a brief background of sanctions on Iran may add some measure of justice to the current analysis. Iran, like Cuba, North Korea, Libya, Iraq and Zimbabwe among other third world countries, has an extremely rich sanctions history.

Till the date of writing, the United Nations Security Council (UNSC) has passed five resolutions targeting Iran’s nuclear activities. These started with UNSC Resolution 1696 in early 2006 and 1737 in December 2006, UNSCR 1747 in March 2007, and UNSCR 1803 in March 2008. Other restrictions were imposed on 9 June 2010 under another UNSC resolution. All have expressed “serious concern” over International Atomic Energy Agency (IAEA) reports regarding the regime’s nuclear program. Some of the resolutions have also made reference to Iranian financial institutions. According to Avi Jorisch (2010:4), “UNSCR 1747 enacted sanctions against Bank Sepah and Bank Melli”. The March 2008 resolution 1803, called on all countries to “exercise vigilance” over any institutions dealing with Iranian banks and their foreign subsidiaries, in particular Bank Melli and Bank Saderat. Despite that the UN has not officially sanctioned Melli and Saderat, the two banks and many others have been implicated in illicit financial activities contravening the US financial sanctions.

In addition to the UN, another key international organization has raised alarm bells regarding Iran’s lack of compliance and effort against money laundering and financing terrorism. This organisation is the Financial Action Task Force (FATF). According to Jorisch (2010:7), “In October 2007, FATF stated that Tehran’s failure in this regard represented a significant vulnerability in the international financial system”. FATF has also since raised its concern through highlighting Iran on the organization’s financial blacklist. These actions demonstrate the international community’s ever-increasing resolve to utilise the financial sector as a means of halting perceived nuclear and terrorist activities.
This section also considers the sanctions on Iran by the US which appears to be the most concerned individual state, of course along with Israel, about Iranian nuclear program. The US is also the major source of all sorts of measures targeting the Islamic Republic of Iran. The EU is also a much concerned regional body and they have leveled all sorts of criticism against Iranian nuclear issue and such criticism has culminated into action.

Where most analysts attempt to trace the roots and origins of the current US hatred of Iran to the 1979 hostage crisis, a more accurate assessment by Howard (2004: 23) would be to relate the genesis of souring relations and America’s grievances of Iranian government policies further back to the 1970s. This would try to explain the oil crisis and the Shah’s refusal to lower the price of crude oil, which was a policy that the shah adopted in a bid to boost the economy of Iran and expedite the development process. What went on to Complicate issues was a “new American strategy of Soviet containment was emerging, one that favoured creating a green belt of Islam as an effective medium to repel Soviet influence in the Middle East and Central Asian regions” as observed by Halliday (1983: 102). Halliday asserts, “Such tensions and unfolding developments triggered the divisions murmured in the halls of the White House as senior officials in the administration soon questioned if the privileged relationship with the Shah and Iran should be maintained”. The US had abandoned the Shah well before the hostage crisis. The 1979 Islamic revolution was in itself an opportunity that allowed a fervently pro- Islamic and anti-western regime to assume power in the pandemonium. Some analysts and observers are of the view that the overthrow of the Shaah was partly an American project. If they are in any way correct, it entails that the Americans gained more than that they bargained as the lost their traditional ally for a more conservative, radical and ‘rogue’ Iranian government.

According to Howard (2004: 24), “the aftermath of this catalytic event, the American government froze some US$12 billion of Iranian assets, the vast majority of which remain frozen to this day”. This was a clear gesture of enmity and these are again a form of sanctions. In the more recent times, sanctions have been largely a reaction to the controversial nuclear program by Islamic republic of Iran. The sanctions range from military, scientific to economic all with the aim of making the economy scream. Shoamanesh (2008: 3) substantiates, “Concrete examples include Boeing’s inability to sell aircraft, repair parts and equipment to Iran notwithstanding
warnings of the International Civil Aviation Organization (ICAO) that with Iran’s aging fleet of passenger planes, such sanctions will place civilian lives in danger.” US economic sanctions did not only limit commercial relations but also tremendously restrict the development of Iranian Petroleum industry. It was also through the Iran and Libya sanctions act (1996), updated to Iran sanctions act after Libya was persuaded to destroy its nuclear equipment and abandon its nuclear program, that US and non-US firms were prohibited from meaningfully invest in Iran. The Iran Sanctions Act remained in force till 2011 when other fresh rounds of sanctions were considered by the state department.

The US has continued to revise the restrictions and sanctions on Iran. Cordesman et al. (2012: 5) states, “On 1 July 2010, the Comprehensive Iran Sanctions, Accountability and Divestment Act 2010 (CISADA) was brought into force in the US”. According to Cordesman et al “CISADA strengthens existing US sanctions against Iran in restricting Iran’s access to inter alia gasoline and other petroleum products, petroleum-related investment, credit and financial services. CISADA also restricts activities for which an exempting licence would have previously been available”. Cordesman outlines, “CISADA now provides expressly for the imposition of sanctions if a person or entity has inter alia knowingly: sold or provided to Iran any refined petroleum products (with a market value of more than US$1 million in any 12 month period or US$5 million in aggregate); or, provided related insurance, financing or broking services; provided ships or shipping services to deliver refined petroleum products to Iran; invested US$20 million or more in directly and significantly contributing to the enhancement of Iran’s ability to develop petroleum resources sold, leased or provided to Iran goods, services, technology, information, or provided support that could contribute to the maintenance or expansion of Iran’s domestic production of refined petroleum products (subject to a threshold of up to US$1 million in any 12 month period or US$5 million in aggregate).” This serves as a summary of the sanctions that the US has imposed on Iran. However it has to be noted that the UN and the EU adopted similar measures raising similar concerns.

The EU measures are constantly revised, amended and, in Iran’s case, tightened. Council Decision 2012/635/CFSP introduces several new Iran-related restrictions or sanctions. The so-called measures are in various forms of different types but all aimed at bringing the ruling elite in
Iran down provided the latter fail to cooperate with the non-proliferation demands by the EU block. The challenge that these sanctions suffer remains that of a nonpolar system as shall be show in the next chapter. It appears a dream which Europe will never wake up from to bring all the members on board in as far as sanctioning Iran is concerned. It is critical however at this point to outline the actual sanctions that the EU, like the US and the UN, has imposed on Iran.

2.3. Conclusion

From the definitions of sanctions given, it can be safely concluded that sanctions are all forms of non military punitive measures or actions employed by one power against the other. The measures can be unilaterally or multilaterally adopted, they can be trade or financial, political or diplomatic and cultural or commercial. Sanctions, like any foreign policy, have its own goals and objectives. As illustrated above, the policy goals range from modest policy goals, regime change and democratization, disruption of military adventures, military impairments among others. It is also critical to state that these goals differ from one case to the other. However, the Iranian case has seen the Sanctioners’ intention to achieve all the mentioned goals as shall be made clear in the next chapter. This study has already expressed its doubt over the success of sanctions at present and in the future due to the ever increasing economic interdependence, political integration and the emergence of numerous power centers in the form of independent states and non state actors. It can be argued that the state of the international system may force sanctions out of the amour or tools’ box of diplomacy. This can best be proven after a closer examination of the position of Iran vis-à-vis the rounds of sanctions by the UN, EU and others western powers and this happens to be the preoccupation of the researcher in the following chapter.
Chapter 3
Sanctions and Nonpolarity: An Analysis

3.0. Introduction

The role and usefulness of economic sanctions as an instrument of foreign policy has been debated for decades as revealed in previous chapters. This appears so especially since the League of Nations was formed with noble and grand aspirations. Regardless of military instruments being regarded as the most effective means for achieving ambitious foreign policy goals, since the end of WW1 sanctions have appeared to be viewed as a soft and more liberal alternative to the activities of the battlefield. The rationale behind sanctions is that they will produce economic deprivations, triggering public anger, and civil unrests and politically significant pressure that may probably oust the regime. This in turn would arm-twist and lead to changes in the behaviour of the target regime, or its removal from power as suggested by Jonge Oudraat (2000). This section would assess the utility of sanctions vis-à-vis the international environment punctuated by Nonpolarity.

While the initial major wave of study and research on sanctions, during the 1960s and 1970s, reached a consensus that they were not as effective as military force. That began to change in the mid-1980s as a gesture of an increasing optimism about the utility of coercive diplomacy. “This new tide of liberal scholarship sought to argue that international organisations might fashion states’ behaviour and exert a significant impact on international outcomes” as observed by Martin (1992: 250). However neoliberals stress a huge but different case. They state that increased interdependence in the modern world will cause states to act in a more cooperative fashion and that increases the costs of defection.

The aforementioned optimism among liberals did not and cannot go unchallenged. For instance, Pape supporting claims that economic coercion can achieve major foreign policy goals and that multilateral cooperation can make sanctions an effective alternative to military force. Pape
claims that economic sanctions succeeded in at most 5% of cases and challenges a previous work carried out by Hufbauer, Schott, and Elliot in which sanctions had been demonstrated successful in about one-third of the cases analyzed (Hufbauer 1990: 93). Pape (1997: 107) concludes, “Economic sanctions, despite the increasing multilateral cooperation of the early 1990s among superpowers, are unlikely to gain importance in the future mainly because the modern state is not fragile”. According to Pape, “Target states are able to mitigate the impact of sanctions by shifting the burden to opponents and disenfranchised groups or through economic adjustments, while external pressures tend to increase the nationalist legitimacy of their rulers”. Utilising the Bargaining Theory and the Strategic Interaction Models, many scholars have illustrated that sanctions have little impact on conflict resolutions and diplomatic standoffs as they can seldom be effective policy instruments. This is so since the sender and the receiver juggle against rational opponents struggling to promote own goals and interests as noted by Wagner (1988: 481). This perfectly applies in the case of Iran which is exploring every possible way to circumvent international sanctions.

This research study supports the works of Pape (1997) and seeks to deepen and add tremendous weight to the argument by introducing the concept of nonpolarity to the sanctions debate in a more direct way. While many scholars have dwelled on globalisation and increasing interdependence as concept and theory respectively, that undermine the effectiveness of sanctions, none has seriously justified this dismal performance as a result of nonpolarity that has, as of recent, characterised the international system as supported by Hass (2008). It is therefore imperative to have an in-depth consideration of the concept of nonpolarity as it links to the utility of sanctions and prospects of such utility.

3.1. Sanctions and Nonpolarity: The Relationship

According to Hass (2008) in his article the Age of Non Polarity: What Will Follow Us Dominance, the principal characteristic of twenty-first-century international relations is nonpolarity. He precisely describes it as “a world dominated not by one or two or even several states but rather by dozens of actors possessing and exercising various kinds of power”. This ought to represent a totally tectonic shift from the state of affairs of the 20th century and preceding centuries. Hass (2008: 1) observes, “The twentieth century started out distinctly
multipolar. But after almost 50 years, two world wars, and many smaller conflicts, a bipolar system emerged. Then, with the end of the Cold War and the demise of the Soviet Union, bipolarity gave way to unipolarity, that is, an international system dominated by one power, in this case the United States. But today power is diffuse, and the onset of nonpolarity raises a number of important questions”. This would mean a shift in trends of states and non-state actors interaction on the international landscape.

The question that may follow to this is which dozens of actors that are now holding relatively equal levels of dominance in the international systems. Hass (2008: 2) note, “Today's world differs in a fundamental way from one of classic multipolarity: there are many more power centers, and quite a few of these poles are not nation-states. Indeed, one of the cardinal features of the contemporary international system is that nation-states have lost their monopoly on power and in some domains their pre-eminence as well.” The states being referred here do not exclude the US and its relatively powerful European allies that have imposed sanctions against Iran. The unfortunate development is that these states are being challenged from above, by regional arrangement and global bodies which have assumed a critical place in contemporary international relations. As if the challenge is not sufficient, militias put the challenge from below and nongovernmental organizations (NGOs) and corporations equally challenge from aside. Power is now found in many ‘hands’ and in many places. According to (Hass 2008: 3), “In addition to the six major world powers, there are numerous regional powers: Brazil and, arguably, Argentina, Chile, Mexico, and Venezuela in Latin America; Nigeria and South Africa in Africa; Egypt, Iran, Israel, and Saudi Arabia in the Middle East; Pakistan in South Asia; Australia, Indonesia, and South Korea in East Asia and Oceania”. It is the firm conviction of the writer that a variety of the above mentioned states do not have common interests and foreign policy goals. Iran being part of the group said to be arguably powerful by Hass can never be found supporting sanctions, at government level, against its own economy. More often than not, the foreign policies of these countries work against each other in various issue areas as each attempts to advance own national interest. Nonpolarity has therefore created a balance that is grossly unfavourable to the effectiveness of sanctions against what is perceived as rogue states.

Besides states, many organizations would be on the list of power centers, including those that are global like the International Monetary Fund, the United Nations, and the World Bank. There are
also those that are regional such as the African Union (AU), the Arab League, the Association of Southeast Asian Nations (ASEAN), the EU, the Organization of American States (OAS) and the South Asian Association for Regional Cooperation. Those that are functional can never go unnoticed too, these may be organisations like International Energy Agency, OPEC, the Shanghai Cooperation Organization whose activities Iran is deeply involved as well as the World Health Organization. Hass (2008: 4) goes as far as mentioning states within nation-states, such as California and India's Uttar Pradesh, and cities, such as New York, São Paulo, and Shanghai. Then there are the large global companies, including those that dominate the worlds of energy, finance, and manufacturing and this will soon turn to be a crucial factor when analyzing the various factors that are aiding to the survival of the Iranian regime. Hass (2008: 4) notes, “Other entities deserving inclusion would be global media outlets (al Jazeera, the BBC, CNN), militias (Hamas, Hezbollah, the Mahdi Army, the Taliban), political parties, religious institutions and movements, terrorist organizations (al Qaeda), drug cartels, and NGOs of a more benign sort (the Bill and Melinda Gates Foundation, Doctors Without Borders, Greenpeace)”. The above observations testify to the effect that today's world is increasingly one of distributed, rather than concentrated, power. This therefore puts sanctions of any nature in a heavily compromised position thus diminishing the future prospects of this foreign policy tool.

Hass’ article responds well to the theory of complex interdependency propounded by Keohane and Nye (1997) which claims that the international system is composed of multiple structures, each corresponding to a different issue-area. Waltz (1979) structural realism, complex interdependence provides a better understanding of changing relations of states of the states as the international system fully embraces nonpolarity. There have been numerous changes in post Cold War era through increased multiple of communications and increase role of international institutions as noted by Husyin Isiksal (2004) and this explains the tectonic shift that Hass 2008 meant that is from bipolarity, multipolarity to non polarity. The actors are states and non-state actors with multiple channels of communication; interstate, trans-governmental and transnational. The agenda of interstate relationships consists of multiple issues that are not arranged in a clear or consistent hierarchy. In other words, there are multiple issues with no
hierarchy; military security does not consistently dominate the agenda. What then does this new age imply to the use of sanctions by governments and intergovernmental organisations?

The writer argues that the implication of this age is that sanctions should now be taken into consideration as a tool of statecraft with multi-actors and different subsystems in mind. As Hass 2008 warns, “Nonpolarity will be difficult and dangerous”. It becomes imperative to give the decision of imposing sanctions on the economy and regime of a target state a second thought. Why is this important? Hass 2008 answers in lament;

“Nonpolarity complicates diplomacy. A nonpolar world not only involves more actors but also lacks the more predictable fixed structures and relationships that tend to define worlds of unipolarity, bipolarity, or multi-polarity. Alliances, in particular, will lose much of their importance, if only because alliances require predictable threats, outlooks, and obligations, all of which are likely to be in short supply in a nonpolar world. Relationships will instead become more selective and situational. It will become harder to classify other countries as either allies or adversaries; they will cooperate on some issues and resist on others. There will be a premium on consultation and coalition building and on a diplomacy that encourages cooperation when possible and shields such cooperation from the fallout of inevitable disagreements. The United States will no longer have the luxury of a ‘You're either with us or against us’ foreign policy.”

It’s not only Hass who foresees the challenge that complex interdependence and its attendant concepts of globalisation and nonpolarity hold on diplomacy in general and sanctions in particular. In the same vein, Gary Clyde, Hufbauer, Jeffrey J. Schott, Kimberly Ann Elliott, Barbara Oegg (2007) is also pessimistic about the future of sanctions as a foreign policy tool whether unilateral or multilateral. They argue that targets are now more integrated and not more vulnerable if sanctions are unilateral and this discredits the US unilateral sanctions against the Islamic Republic of Iran. Like Hass 2008, they also observe that international cooperation is no panacea and is relatively costly to generate not mentioning the delays, competing objectives that often result from any attempts to cooperate. China’s rise is also viewed as a challenge by the
quad arguing that it has stifled productivity and cooperation and multilateralism in as far as the imposition of sanctions is concerned. This holds truth in the case of Zimbabwe as at one point china had to adopt a firm stance, with the help of Russia in the UNSC, to oppose the inclusion of the Zimbabwean issue on the UNSC agenda. Why have sanctions been unsuccessful with the dismal performance even promising some recurrence in the future with no definite end in sight? The answer according to this study is nonpolarity, of course with its related concept of globalisation.

Like Chingono (2010: 01), this study seeks to guide the perceptions of the ‘Sanctioners and Sanctionees’ that is the UN, US, EU and Iran respectively as it continues to interrogate the wisdom and feasibility of sanctions against Iran in the age of nonpolarity. The effectiveness is noted by using the criteria laid by Gary Clyde Hufbauer, Jeffrey J. Schott, Kimberly Ann Elliott, Barbara Oegg (1997). They state that the success or failure of sanctions is determined by the achievement or non-achievement of policy goals respectively. “Summarily”, Hufbauer etal notes, “The goals may range from, regime change and democratisation, disruption of military adventures and military impairments to modest policy changes”. This criterion is the perfect one that shapes and guides the current analysis because the said policy goals all apply to the Iranian example.

The sanctions against Iran are in full force and there is virtually no evidence to point to the opposite. However, as studies reveal, it can be argued that it’s too soon to satisfactorily tell either the failure or success story of the sanctions regime although it’s noble to review its performance so far and attempt to foretell that of the future. This chapter also has the mandate of fully and critically appreciating all the impact of sanctions and measures that have been imposed on the Islamic republic of Iran. The writer then seeks to critically assess and outline the impact of sanctions against this significant Middle East power. This would prompt a detailed assessment of the economic, political, social and other impacts of these sanctions on the Iranian society. Of paramount importance is the assessment of the effectiveness of the sanctions, the global reactions triggered, the dangers and the opportunities, if any, that nonpolarity is posing to the prospects of success that the sanctions against the Iranians may hold at present.
3.2. The General Impact of Sanctions on Iran

Several researches have made the common conclusion that the history of sanctions is complex. Their impact, too, is controversial and often difficult to measure. This would also mean that sanctions’ success or failure would remain unclear especially for those applied on Iran which is ongoing. Voluminous literature on Iranian sanctions also point to the fact that politicians, experts, the media and world bodies show a mixed stand on the effects of sanctions on the Iranian nation and its economy. Despite that the data is often notoriously politicized by some researchers and ‘experts’, facts can be established to point to the fact that Iran has a seriously troubled economy as observed by Bruno and Johnson (2012: 1). This conclusion is made amid contrary statements by the Iranian leaders. However, according to Cordesman etal (2012: 63), towards the end of 2011, there was a change in rhetoric coming out of Tehran. In a speech before Parliament, President Ahmadinejad characterized the then most recent international efforts as ‘the most extensive sanctions ever’ and that “this is the heaviest economic onslaught on a nation in history…every day, all our banking and trade activities and our agreements are being monitored and blocked”. Cordesman etal contends that president Ahmadinejad’s rhetorical departure suggests that the ever-rejuvenated international resolve to punish has at minimum prospered by forcing a strategic shift by Tehran and represents a clear acknowledgment of the crippling effects of international sanctions.

What the current Iranian political leader is not in any way wayward but it’s pursuant to a systematic policy agenda aimed at frustrating international efforts. This is done most probably in a way to display an unimaginably high level of resilience that seeks to render international pressure useless and needless. Along with their leader, Iranian officials often dismiss disparage international restrictions and unequivocally assert that the people of Iran will never yield to foreign pressure. However, evidence is available for all who can learn and see that sanctions have harmed the Iranians through economic hardships. This results from ever-depressing amounts of investment in the energy sector. The oil sanction have seriously damaged and diminished the bargaining capacity of Iran’s while empowering its trading partners who demand massive discounts on energy and other deals. As quoted by Slavin (2012: 10), “Djavad Salehi-Isfahani, an expert on the Iranian economy at Virginia Tech and the Brookings Institution, said many Iranians have been shocked by the increase in prices, as they only recently received
unsubsidized utility bills”. Djavadi Salehi-Isfahani exclaimed that ordinary Iranians are very angry since they assumed that the handouts were for them to keep, not to pay the bills, so they went and spent the money on luxuries. Also as a consequence, inflated energy prices have forced and pushed inefficient factories (especially indigenous ones) out of the market. The literal and logical translation of such a state of affairs, and of course from a macroeconomic point of view, is souring unemployment which has already stood at 70 percent among Iranian youth. Inflation as of 2012 was argued by officials to be at 12 while other private media sources claim that the rate of inflation actually stands at 20 percent. This appears to be in-line with the wishes of the US and its western allies who have always wanted the Iranian economy to ‘scream’.

In addition to that, western companies that provide a range of consumer goods and services have quit the Iranian market even though their products have nothing to do with the nuclear program. According to Barbara Slavin (2012: 11), at a congressional hearing last year, Under Secretary of State William Burns noted that “Daimler, Toyota and Kia have stopped exporting cars to Iran.” Levey, testifying at the same hearing, added that “major companies across a range of industries—finance, engineering, energy, manufacturing, automobile, insurance, accounting firms—they are all announcing that they’re curtailing their business dealings with Iran.” This decrease in investment will surely have an adverse impact on the economy from a macro-economic point of view.

More so, as the international sanctions onslaught persist, Iran’s currency, the Rial could not escape. Cordesman et al (2012: 5) states, “Iran’s currency, long held artificially high by a regime that could afford to subsidize it, has nose-dived since the implementation of more stringent sanctions. It has lost more than 50% of its value between September 2011 and September 2012 and was trading at around 28,000 Rials to one dollar, down from 13,000 in September 2011”. Cordesman makes it clear that according to some reports, this raised the real annual inflation rate from 29%, according to government statistics, to 70%. Moreover, the Iranian currency dropped to almost 40% in October of the year 2012. Cordesman further observes, “By October 2012 food prices were rising so quickly that major changes were taking place by the day, and key foods like chicken had become unaffordable for many Iranians”. In the year 2012 the western project to effect regime change tried to bear intended results as public riots about the economy loomed.
However this impact does not translate to effectiveness of the sanctions the EU, UN and the US. As argued above, effectiveness can be ascertained only if and when the projected and desired outcomes by the ‘sanctioners’ tangibly materialize.

Besides that, multilateral measures meant to impede Iranian access to materials and equipment that can be used for its nuclear program are also having an impact, that is pretty positive in the view of the UN, the US, the EU and Israel. However sanctions cannot be argued to be wholly responsible for the snail’s pace that Iran is experiencing in nuclear production. Slavin (2012: 12) hints, “… cyber warfare, defections, and assassinations of nuclear scientists are arguably equally if not more effective” in delaying Iran from building a nuclear bomb. Slavin continues to claim that according to nuclear experts, Iran is facing difficulties constructing centrifuges, the machines which enrich uranium. Slavin (2012: 12), “While the Iranians have installed about 8,000 P-1 centrifuges at its main known facility in Natanz, only 5,000 are actually working at any given time. Iran also seems to be having problems building and installing a more-advanced model of centrifuge at a pilot plant in Natanz”. Albrigh D, a UN nuclear expert and also leader of the Institute of Science & International Security, argues that the Iranians are encountering difficulties in securing maraging steel as well as carbon fiber required to build centrifuges, vacuum pumps and pipes. Although Iran can buy these things, it encounters the risk that such cargo gets intercepted. In the interim, the experts from the UN are unanimous on the observable reality that international sanctions indeed constrain the ability of Iran to procure nuclear related material. The unfortunate development to the west is that the target is making slow progress in uranium enrichment under such prohibitive circumstances. Analysts declare that what the sanctions are doing is just making it expensive and difficult for Iran but the regime remains committed. This serves as clear testimony to the failure of sanctions despite them having an impact. Though the progress is slow, it is evidently there and as each day passes by, Iran is making a step towards nuclear capability.

3.3. Conclusion
In summary, the Islamic republic of Iran has been under various forms of sanctions since the 1979 revolution which removed the shah from the corridors of power. The restrictions being imposed from time to time appear to be the most deadly attack on the country’s banking, gas and
oil sector. The consequences of these sanctions have even surprised the strongest and prominent advocates and proponents of coercive diplomacy. As a result of the UN, EU, US sponsored sanctions Iran’s oil exports dropped to around 1m barrels a day from above 2.4 mega barrels. Meanwhile, sanctions on Iran's banking houses has crippled the country's capacity and leverage to conduct business transactions in foreign lands since the US sanctions have an extra-territorial reach., the ultimate consequences are rippled economy and compromised living standards of ordinary Iranians.

According to analysts, the effect has been best hardest on the middle working population who has witnessed their savings’ evaporation and buoying power drying up. However, in the recent seasons, the country has experienced a gruesome fiscal crisis which has since eased, and economists are or the argument that neither total collapse nor considerable widespread rioting seems likely in the immediate future. Such observations and conclusions point to the dismal performance of international sanctions against the Islamic republic of Iran. The sanctions have not yet manufactured the sought of public unrests that would arm-twist the ayatollahs to change their nuclear policies. Iran has been able to defy west’s coercive diplomacy with a formidable combination of clever tactics, threatened and actual repression and sheer mischief and stubbornness. In more scholarly terms the target in question has successfully managed to take full advantage of Nonpolarism which clearly characterizes the 21st century international relations. How has she been able to do this is a research question that is effectively responded to in the upcoming chapter.
Chapter 4
SANCTIONS EFFECTIVENESS: PROBLEMS AND OPPORTUNITIES OF NONPOLARITY

4.0. Introduction
The sanctions that are applied on Iran as revealed in the previous chapter represent some of the harshest in history. As highlighted in the opening chapter, voluminous literature on sanctions focuses on the consequences of sanctions, i.e. political, economic and social as well as technological among other consequences. This thesis however considers a different aspect of sanctions as a foreign policy tool, it seeks to measure the effectiveness and in the finally determine the prospects of this too in diplomacy in light of the Iranian example. From the studies carried out in the past, a majority of sanctions have been declared a failure as revealed in the previous analysis. However the effective of sanctions applied on Iran should be assessed by analyzing the intricate and complex interdependence that explains the 21st century international relations. This chapter intends to answer the most important research question of this topic as the cost benefit calculus of sanctions in the age of nonpolarity gets interrogated.

4.1. What Constitutes Sanctions Success?
According to Hufbauer et al (2004: 8), “sanctions’ success means sanctions would have contributed significantly to the partial or full achievement of the foreign policy goal”. Goals of the sanctions applied on Iran are varied but generally point to the country’s nuclear program as alluded to in chapter 3. However, Thompson (2011: 8) notes, “The ultimate purpose of the three-pronged approach of UN sanctions, unilateral sanctions, and private pullout is to ensure that Iran does not develop a nuclear weapon”. The hope is that by making it more expensive for the Tehran administration will change its attitude towards nuclear development. Portray the international community as a weak force that desires to unfairly discriminate against Iran and hurt its people. An analyst and researcher, Eskandar Sadeghi-Boroujerdi (2012: 1) gives what he terms the logic of the multilateral sanctions against Iran. He puts the following as the policy aims of international sanctions on Iran by the senders. He notes that the sanctioners intend “to cause Iran to change policy, compromise on the scale and ambitions of its nuclear programme, and ensure that all proliferation risks, that is, possible military dimensions (PMDs) and highly enriched fissile material, which the P5+1 states fear provide Iran with a “nuclear weapons
capability” i.e. the ability to build a nuclear weapon in a short space of time, if it were to leave the Non-Proliferation Treaty and eject the IAEA’s inspectors are eliminated. It is also assumed that the sanctions will cause Iran to scale back its nuclear programme to the research level, and forgo all uranium enrichment. This is achievable arguably through targeting the lifeblood of the Iranian regime, provoke civil unrest, and ultimately aid the regime’s overthrow”. While following Hufbauer’s criteria of measuring success of sanctions, the writer needs to make conclusions in light of these policy goals and objectives.

In contrast to Ahmadinejad, other Iranian leaders understand the gravity of the sanctions. Former President Akbar Hashemi Rafsanjani warned the regime “to take the sanctions seriously and not as a joke,” recognizing the strictness of the world’s response to Iran. Former Prime Minister and leader of the Green Movement, Mir-Hossein Mousavi similarly agree with Rafsanjani on the severity of these sanctions. One of his senior advisors said that the sanctions would have a “clear effect on the day to day lives of the people.”

With the brief discussion on the impact of sanctions on Iran in the previous chapter, the writer will turn to examine the sanctions’ effectiveness based on the aforementioned logic. The logic is that the impact (negative) of sanctions on the economy would pose immense pressure on the regime, and also make it difficult for Iran to obtain industrial equipment and nuclear supplies, then the country’s nuclear program will be substantially slowed and the regime will be forced to abandon its nuclear weapon ambitions. Thus, the sanctions hope to change the regime’s cost-benefit calculus of its nuclear program. The international community would also like to see the Iranian public voice their dissatisfaction with the Iranian regime and state of the economy, which would push the regime towards compromise. Further, the international community wants to ensure the integrity of the international treaty system and is thus punishing Iran for its decision to ignore its NPT obligations as alluded to earlier. In line with the above criteria about the success of sanctions specifically against Iran, the sanctioners are yet to realize the fruits of their foreign policy venture on Iran. This is emphatically true because the regime in Iran led by president Ahmadinejad is still holding tight on the helms of political power. Besides, there is good progress that’s being registered in Iran, almost on a weekly basis; in as far as uranium enrichment is concerned. To where and who does Tehran owe these achievements? Before one
responds to this, it can be noted that it’s not only Tehran, but also Havana and Harare among many administrations that are celebrating years of survival under western and international sanctions regimes. Nonpolarity has made it possible for Iran to survive the harshest sanctions in history and this ought to be exposed in the next section.

4.2. The Failure of Sanctions: Nonpolarity at Work

From the third chapter of this thesis, it is noted that sanctions are making a substantial amount of progress in inflicting the anticipated pain on Iran. This is indicated by increases in consumer prices thus pointing to the cultivation of a difficult business environment in Iran, which is stoking domestic unrest. Other indicators are decreases in oil production and exports as well as declining GDP which mean a drop in government revenue, prompting the end of the subsidy program. Fewer oil imports and other commercial strains are further indicators of the tangible impacts which sanctions are having on the Iranian economy and regime.

Despite this progress, there is evidence that subversion and illegal activity are allowing Iran to continue to function economically and to expand its nuclear program. This subversion succeeds only due to the environment that’s breeds anarchy which comes as a result of nonpolarity. In considering this important factor, the role played by the United Arab Emirates (UAE) can never be overlooked. For example according to Thompson (2011: 16), a wide range of US military and dual-use goods are illegally transshipped to Iran through the UAE, Malaysia, and Singapore. There have been several international cases of this subversion. Karim Sadjadpour (2011: 22) claims, “Dubai has long been considered the biggest hole in the so-called “Swiss cheese” sanctions regime against the Islamic Republic. Its proximity to Iran, limited regulatory regime, vast port, and large numbers of Iranian residents combine to make it akin to what Hong Kong once was to China: a socially lax entrepôt for both business and pleasure”. The UAE has over the years grown in commercial importance and can now be safely be considered as a power centre in a way and this lucidly explains nonpolarity. The emergence of the Asian tigers as significant centers of commerce has impacted diplomacy in this way rendering the use of sanctions against Iran a difficult foreign policy venture by the EU and the US as well as the UN.
One may chose to dismiss the argument in the previous paragraph that the Arab neighbours geopolitical advantage to Iran point to nonpolarity but geographical proximity. This pushes the writer to considering another power that has almost frustrated any sanctions regime by the west this time with the UN included. This actor is china, country that has risen from the status of a western colony to one of a superpower. It’s a global secrete now that china has become Iran’s number one trading partner since the year 2007. Literature reveals that china has become the greatest beneficial of western sponsored sanctions in the 21st century including those on Zimbabwe. This is supported by Chingono (2010: 71) who identifies the Look East Policy by the Zimbabwean government as revolving around china as of late pointing to china as the crucial shield from western pressure on the ZANU PF government. These same bilateral engagements exist between Tehran and Beijing at a larger and more complicated scale. According to by Vahram Ayvazyan (2012:01) in an article published by the Public Service Europe China signed a $20bn agreement, in May 2011, to boost bilateral cooperation in Iran's industrial and mining sectors - and the leaders of the two countries have announced plans to more than double their annual bilateral trade, which is currently around $30–$40bn, to $100bn by 2016. Through its economic cooperation and deal-making with China, including a barter agreement designed to facilitate trade despite sanctions against banks doing business with Iran, the country has blunted the impact of international sanctions regime on the country.

New statistics show Iran’s growing dependence on China both as a market and as a source of consumer and industrial goods. While outlining this growing dependency on China by Iran Slavin (2011: 5) notes “The big story of the last decade for Iranian trade has been that of increasing reliance on China. Since 2001, Chinese exports to Iran have increased nearly sixteen-fold, to $12.2 billion, while Iranian exports to China last year amounted to $16.5 billion, primarily crude oil. China’s trade with Iran accounts for nearly 18 percent of Iran’s total commerce, and is second only to that with the entire twenty-seven-member European Union”. However this new trading pattern has come at a cost to the Iranian economy. Slavin (2011: 7) observes that Chinese purchase of Iranian oil has been able to demand deep discounts; some purchases have had difficulty reimbursing Tehran through the international banking system. This
has forced Iran to resort to barter deals and other transactions that have reduced its access to hard currency a shortage that has been reflected in volatile swings in the Iranian currency (Rial) and a growing gap between its official and black-market rates. While Iran’s economy is still growing by 2-3% a year according to the International Monetary Fund, the level is not sufficient to stave off high unemployment, particularly among the youth. 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. “Nevertheless, Iran appears to have sufficient reserves to pay off key constituencies and keep a lid on popular unrest” Slavin (2011: 7) contends. 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 nonpolarity in general.

India, like China, has also maintained strong economic ties with Iran. India holds an ambivalent view of sanctions against any third world country especially Iran and its nuclear program. This argument is seconded by Slavin (2011: 9) who states that India has also been a victim of substantial penalties by the western powers following her diversion of a civilian nuclear infrastructure to weapons. Finally, while several western countries may halt exports of refined products to Iran, the gap could be filled by Central Asian countries, Venezuela, and China, all of which have indicated their willingness to do so. According to tehrantimes.com in September, 2009, the then Venezuelan President, Hugo Chavez, announced that Venezuela would provide 20,000 barrels per day of refined petroleum products to Iran. Media reports also state that China National Petroleum Corporation’s (CNPC) trading unit, China Oil, 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. 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 given China’s extensive economic involvement in Iran, albeit through third parties to evade sanctions, 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 and North Korea. Hence, while Indian firms, both public and private, continue to be ambiguous about dealing with Iran, Chinese firms appear undeterred.
According to www.iranfocus.com/ despite years of sanctions, several countries appear undeterred from doing business with Iran, particularly in the energy sector. This is partly due to lack of punitive action on the part of the US through waivers. However, according to Rizvi (2011: 09), the Obama administration, while stating that the door for diplomatic negotiations with Iran will remain open, is planning more stringent action against both US and non-compliant countries. Whether these will succeed in deterring governments from doing business with Iran? It remains to be seen. Turkey also does not appear to be convinced by the measures taken by the west. According to http://www.reuters.com/article/2012 Selcuk Unal, said that Ankara is not committed to sanctions by the on Iran and currently turkey and Iran maintains sound economic ties. Meanwhile the issue is not with South West Asia alone. According to Rizvi (2012: 04), some EU countries, especially 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 fragile economies need time to deal with the direct repercussions of the embargo on the Iranian oil. Greek officials have said that their country imports up to 40 per cent of oil from Iran and want to continue the flow without disruption and on the same funding terms. According to www.understandingwar.org China gets 22% of Iranian oil exports, the E.U. 18%, Japan 14%, India 13%, South Korea 10%, Turkey 7%, South Africa 4%, Sri Lanka 2% and Taiwan 1% 9% . 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.

Nonpolarity is also affecting the prospects of sanctions in a negative way due to the high and critical position that Trans-National Companies (TNCs) were able to assume over the years. The utility of sanctions is greatly affected by the existence of multiple ties and interactions linking people, firms, and institutions across national borders. Multi-national corporations 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 perfectly applies to the case of sanctioned Iran. Several multinational companies are floating international sanctions regulations specifically, the Iranian Transactions Regulations as defined by the U.S. Department of the Treasury’s Office of Foreign Assets Control. Below is a table that gives a list of some of the companies that were identified in Rizvi (2010: 12)
operating in Iran in a direct violation of the international sanctions’ regulations?  
(www.idsa.in/system/files/IB_USSanctionsonIran)

LIST OF TNCs OPERATING IN THE IRANIAN SANCTIONED SECTORS OF THE ECONOMY

<table>
<thead>
<tr>
<th>Transnational Company</th>
<th>Country of Origin</th>
<th>Sector of Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB Lummus</td>
<td>Headquartered in Switzerland</td>
<td>Refining, petrochemicals</td>
</tr>
<tr>
<td>Amona</td>
<td>Malaysia</td>
<td>Oil exploration and production</td>
</tr>
<tr>
<td>Belneftekhim</td>
<td>Belarus</td>
<td>Oil exploration and production</td>
</tr>
<tr>
<td>China National Offshore Oil Corporation</td>
<td>China</td>
<td>Natural gas</td>
</tr>
<tr>
<td>China National Petroleum Corporation</td>
<td>China</td>
<td>Oil exploration and production, natural gas</td>
</tr>
<tr>
<td>Costain Oil, Gas &amp; Process Ltd.</td>
<td>United Kingdom</td>
<td>Natural gas</td>
</tr>
<tr>
<td>Daelim</td>
<td>South Korea</td>
<td>Natural gas</td>
</tr>
<tr>
<td>Daewoo Shipbuilding &amp; Marine</td>
<td>South Korea</td>
<td>Tankers Engineering</td>
</tr>
<tr>
<td>Edison</td>
<td>Italy</td>
<td>Oil exploration and production</td>
</tr>
<tr>
<td>ENI</td>
<td>Italy</td>
<td>Oil exploration and production</td>
</tr>
<tr>
<td>Gazprom</td>
<td>Russia</td>
<td>Oil exploration and production, pipeline</td>
</tr>
<tr>
<td>GS</td>
<td>South Korea</td>
<td>Natural gas</td>
</tr>
<tr>
<td>Haldor Topsoe</td>
<td>Denmark</td>
<td>Refining</td>
</tr>
<tr>
<td>Hinduja</td>
<td>United Kingdom</td>
<td>Oil exploration and production, natural gas</td>
</tr>
<tr>
<td>Hyundai Heavy Industries</td>
<td>South Korea</td>
<td>Oil tankers</td>
</tr>
<tr>
<td>INA</td>
<td>Croatia</td>
<td>Oil exploration and production, natural gas</td>
</tr>
<tr>
<td>Indian Oil Corporation</td>
<td>India</td>
<td>Natural gas</td>
</tr>
<tr>
<td>Inpex</td>
<td>Japan</td>
<td>Oil exploration and production</td>
</tr>
<tr>
<td>JGC Corporation</td>
<td>Japan</td>
<td>Refining</td>
</tr>
<tr>
<td>Lukoil</td>
<td>Russia</td>
<td>Oil exploration and production</td>
</tr>
<tr>
<td>LyondelBasell</td>
<td>Netherlands</td>
<td>Petrochemicals</td>
</tr>
<tr>
<td>Oil India Ltd.</td>
<td>India</td>
<td>Natural gas</td>
</tr>
<tr>
<td>Company</td>
<td>Country</td>
<td>Activities</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Oil and Natural Gas Corporation</td>
<td>India</td>
<td>Oil exploration and production, natural gas</td>
</tr>
<tr>
<td>OMV</td>
<td>Austria</td>
<td>Natural gas</td>
</tr>
<tr>
<td>ONGC Videsh Ltd.</td>
<td>India</td>
<td>Natural gas</td>
</tr>
<tr>
<td>Petrobras</td>
<td>Brazil</td>
<td>Oil exploration and production</td>
</tr>
<tr>
<td>Petrofield</td>
<td>Malaysia</td>
<td>Natural gas</td>
</tr>
<tr>
<td>Petroleos de Venezuela S.A.</td>
<td>Venezuela</td>
<td>Natural gas</td>
</tr>
<tr>
<td>Petronet LNG</td>
<td>India</td>
<td>Natural gas</td>
</tr>
<tr>
<td>PGNiG</td>
<td>Poland</td>
<td>Natural gas</td>
</tr>
<tr>
<td>PTT Exploration &amp; Production</td>
<td>Netherlands</td>
<td>Natural gas</td>
</tr>
<tr>
<td>Repsol</td>
<td>Spain</td>
<td>Natural gas</td>
</tr>
<tr>
<td>Royal Dutch Shell</td>
<td>Netherlands</td>
<td>Natural gas</td>
</tr>
<tr>
<td>Royal Dutch Shell</td>
<td>China</td>
<td>Oil exploration and production</td>
</tr>
<tr>
<td>SKS Ventures</td>
<td>Malaysia</td>
<td>Natural gas</td>
</tr>
<tr>
<td>Snamprogetti</td>
<td>Italy</td>
<td>Pipeline</td>
</tr>
<tr>
<td>StatoilHydro</td>
<td>Norway</td>
<td>Oil exploration and production, natural gas</td>
</tr>
<tr>
<td>Tecnimont</td>
<td>Italy</td>
<td>Petrochemicals</td>
</tr>
<tr>
<td>Total</td>
<td>France</td>
<td>Natural gas</td>
</tr>
<tr>
<td>Turkish Petroleum Company</td>
<td>Turkey</td>
<td>Natural gas</td>
</tr>
<tr>
<td>Uhde</td>
<td>Germany</td>
<td>Petrochemicals</td>
</tr>
</tbody>
</table>

Remember the definition of nonpolarity. Arora (2010: 11) notes, “Nonpolarity refers to an international system with numerous centres of power, no one centre of power dominates”. The centres of power also include private entities, networks and individuals. Abdul Qadeer Khan a prominent Pakistani scientist who was also involved in his country’s various scientific programmes until his dismissal as a hand in the nuclear program of the Islamic Republic of Iran. He is suspected also of leading a strong network of like-minded nuclear scientists thought by the international community to be involved in nuclear terrorism. According to Anwar Iqbal (2009: 01), (http://archives.dawn.com/archives/33512), A.Q Khan and his associates provided Iran and Libya with centrifuge components, designs, and, in some cases, complete centrifuges. The United States also believes that Dr Khan and his associates provided centrifuge designs, equipment, and technology to North Korea. Dr Khan also provided Libya with nuclear weapon designs. With the assistance of his network, countries could leapfrog the slow, incremental stages.
of other nuclear weapons development programmes. The network`s actions have irrevocably
changed the proliferation landscape and have had lasting implications for international security.
The US has in turn sanctioned khan and his network as they view them as nuclear terrorist on a
proliferation spree. According to Anwar Iqbal (2009: 01), the sanctioned individuals and
companies were listed by the State Department as Muhammad Farooq, Paul Griffin Selim
Alguadis, Shah Hakim Shahnazim Zain Kursad Zafer Cire, EKA Elektronik Kontrol Aletleri
Sanayi ve Ticaret A.S. Muhammad Nasim ud Din, Muhammad Farooq, Buhary Seyed Abu Tahir
Paul Griffin, ETI Elektroteknik Sanayi ve Ticaret A.S., Abdul Qadeer Khan, Shamsul Bahrin
bin Rukiban, and Peter Griffin.

A.Q Khan speaking to the media upon his release on Feb. 6, 2009
(Extracted from http://www.time.com/time/world/article/0,8599,1922166,00.html)

Meanwhile Khan takes pride in his personal role in Iran’s nuclear development and still pledges
his commitment to a nuclear armed Iran. Despite having been arrested and detained in Pakistan,
the scientist remains adamant to heeding calls by the international community to halt his support
to nuclear proliferation. In an article by Omar Waraich (http://www.time.com/time/world/article/0,8599,1922166,00.html), Khan was quoted saying "If
Iran succeeds in acquiring nuclear technology, we will be a strong bloc in the region to counter
international pressure." Khan told the interviewer that "if Iran's nuclear capability will neutralize Israel's power." this adequately demonstrates how far the system has changed and consequently affecting foreign policies of nation state including sanctions. It is not surprising that khan is the individual who contributed significantly to the rise in the number of centrifuges that Iran has at present.

Obviously, in this age of nonpolarity, Khan can’t be the only individual frustrating the efforts of the international community to discourage Iran from acquiring an atomic bomb. In a case in 2009, a well-connected Indian businessman secretly provided cladding, thermal insulation, and ancillary equipment to Iran in a variety of shipments. Frighteningly on US and EU part, all of those materials can be used in the construction of a nuclear reactor. Further literature indicates that many Iranians in Azerbaijan are involved in Iranian regime-related profit making, sanctions busting, and money laundering. These practices of establishing front companies and reshipping materials to Iran and others also allow the Iranian regime to circumvent sanctions. On the same note, the US administration argues that Iran got crucial help in sanctions evasion from a Greek shipping magnate who sold hundreds of millions of dollars worth of crude oil to unsuspecting buyers. According to the online guardian paper of 09 March 2013 (www.guardian.co.uk/world/2013/mar/19/sanctions-iran-economy-nu), a Greek business mogul identified as Demitris Cambis has for long operated as Iran’s secrete broker transferring millions of barrels of Iranian oil into his tankers to be sold to foreign buyers.

Nonpolarity also stresses the critical role that international and regional bodies play in the contemporary international system. Functional international organizations are also impacting on the effectiveness of sanctions albeit in an adverse manner in the eyes of the US, UN and the EU. The Organization of Petroleum Exporting Countries OPEC has stood with Iran in its fight against the still counting rounds of UN sponsored sanctions, numerous US and EU sanctions measures. In an electronic article by Umulawan of 24 March 2013 (http://webberenergyblog.wordpress.com/2013/03/24/irans-role-in-opec-and-the-new-oil-bourse-what-may-be-the-impacts/), in the OPEC meeting of June 2012, it was suggested by Venezuela that the grouping must protest the EU measures against Iran to be effected in July 2012. This proposal was supported by Iran, Iraq and Algeria. Not surprisingly, this was dismissed by Saudi
Arabia along with other members like Kuwait, Libya and Nigeria. The latter group argued that these issues are a matter of concern for the foreign ministers of the member countries and not oil ministers. Saudi Arabia is committed to avoiding the coalition being dragged into the republic’s nuclear deadlock with the western block. However it has been increasingly becoming a challenge for oil producers to maintain that sought of neutrality.

Banks are also critical for any modern economy and when their operations are disturbed, the economy may also face a relatively equal amount of disturbance. Following this logic, the American government, along with the UNSC, has since decided to regulate the banking operations around the Iranian financial sector to inflict the noted disturbance. The extra-territorial nature have launched a heavy onslaught on Iranian currency flows by blocking accounts and threatening and actualizing punishment on international banks that are found dealing directly or indirectly with the Iranian regime and or Iran’s central bank. However Iran’s financial sector is made, by nonpolarity and complex interdependence, to thrive under such an onslaught despite depletions in Forex reserves and devaluation of the Rial. Unfortunately, innumerable banking institutions have not stopped to do or reduced their amount of business with the Islamic Republic of Iran and its major firms and banks and thus basically undermine the overall effort in sanctions.

4.3. Conclusion
In a nutshell, Iran is surviving and the regime is thriving. History has or is about to repeat itself since what sanctions accomplished in Cuba, North Korea and Zimbabwe is the same to what they can deliver in Iran. The arrogance of the Iranian regime increases at every upward revision of the measures against the Iranian economy. The international community can’t afford a future with a nuclear armed Iran as indicated by the resolve of many states to stop Iran from building an atomic bomb. A nuclear armed Iran is generally unacceptable to many yet the tools that are being employed to avoid such a near or distant reality are just but dismally performing. In actual terms the space of sanctions in this age of nonpolarity is sorrowfully diminishing and being ‘eaten up’ by globalization.
Worsening the position and effectiveness of sanctions is the growing economic clout not only of China but of a few but significant countries of the south. The growing significance of these emerging economies is providing a considerable amount of insulation to the Iranian government and the political elites in Tehran from increasing international pressure. From the outset Russia disapproved stronger measures against Iran either through the UNSC or the US two houses of representatives. Reports also have it that Iran is now dumping the United States dollar for the rial and the rubles in its trading activities with Russia. The same is happening in Iran’s trading activities with the Japanese and Chinese where the Yuan is dominating the exchange mode. Another economic powerhouse in the neighborhood, India, is also adamant and maintains relatively normal economic ties with Iran.

Majority of the BRICS membership which is also significant owners of gold are also economically allied with Iran. Also undermining the effectiveness of sanctions are the practices of establishing front companies as well as the reshipping of material. Sensitive cargo is illegally transshipped to the Islamic republic via UAE, Singapore and Malaysia. Individuals and networks of such individuals are making stunning contribution to Iran’s nuclear program by smuggling gas centrifuges into Iran. In the light of all these developments, analysts are indeed unanimous on the conclusion that the sanctions can only slow and delay progress by Iran in its road to the club of nuclear states. This implies that soft power on Iran can be dismissed as a total failure. What is therefore the panacea to the current deadlock between the Iranian regime and the west? The next and final chapter seeks to satisfactorily deal with such critical and often dared areas of academic inquiry.
CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

Economic sanctions against Iran are the foreign policy tool that is being employed by the UN, US and the EU to constrain business of Iran across international boundaries so as to diminish the aggregate socio-economic welfare of Iran. This is thought to coerce Iran to change its behavior attitude toward nuclear development. Over past years, economic (coercion) sanctions had to be imposed by what Chingono (2010: 01) identifies as sanctioners on what she as well identifies as Sanctionees on numerous instances for a number of political purposes. Throughout this entire 20th century, European states and the United States have been the dominant utilizers of economic sanctions although the US had gone it alone in a majority of cases. In as far as the sanctions on Iran are concerned, it has been concluded that they fall under the category of multi lateral sanctions due to the involvement of the UN in the group of sanctioners. Besides the UN, the FATF, and the EU are also among international bodies that have officially imposed sanctions against the Islamic republic of Iran.

Let it be re-emphasised that sanctions are viewed as a middle-of-the-road strategy. It is indeed an alternative (economic) placed in the range found between diplomacy and military operations. Albeit not the silver bullet, rightly targeted measures ought to serve like a credible shot on the bow which influences the Ahmadinejad regime to alter policy course. Theoretically and intuitively, sanctions of a multilateral nature and with a comprehensive scope are expected to yield far greater results. This will also depend on whether or not they are properly imposed that is enforced and applied. The logic is that the adoption of similarly stringent measures will trap the target on a dry island. In other terms that development will make it difficult for a target state to earn important goods, material and capital (Forex). However, and unfortunately for the sanctioners, concerted efforts are not easy to come by since contemporary international politics is now religiously follow the dictates of realism which place primacy on sectional and national interest at the expense of commonly shared interests. Nations often have diverse economic social and security interests and this destroys the possibilities and success coalition especially on such areas as sanctioning other actors. Russian and Chinese reluctance to fully incorporate UN and
US sanctions on Iran testifies to the diversity in national interests. These two eastern economic powerhouses (Russia & China) have vital investments in the gas and oil sectors in Iran. Multilateralism is also undermined by the different perspectives held by other actors on the target’s behavior. Venezuela, Brazil and Iraq along with many other states of the south and other non-state actors like the Non-Allied Movement express considerable satisfaction in the behavior and activities of Iran. Their view of the tensions between the west and Iran also affect their attitude towards sanctions on the later thus sympathizing with her and insulating her from the torturous effects of international sanctions. The diverse perceptions of international relations actors also influence what those actors view as the best direction and strategy to effect behavioral change or policy changes. In the Iranian case, not every actor or state believe that sanctions are the best resolution tools hence instead of isolating Iran, some are cooperating with her in all ways possible.

It is here concluded that the utility of economic and any other form of sanctions as instrument of foreign policy has declined steadily in the previous decades and sharply in the 21st century. From 1914 to 1969, sanctions were relatively effective especially at attaining modest policy goals and narrowly aimed policy objectives. Their use, although, proved mainly elusive at putting enough pressure significantly change the actions and attitudes of a target state, mainly if the sanctioner’s aim was to force the target to act in a way it stoutly opposed. It can also be declared that the success rate of sanctions, especially if applied unilaterally has seriously fallen since the 1970s. This formerly steady and latter sharp drop is as a result of the globalization which has made capital, services and goods offered by the sanctioning country more replaceable and easily substituted by similar ones from different sources. The findings of this research also support the view that nonpolarity has contributed immensely to poor performance of sanctions. Indeed, successful examples are now even rarer in this era of nonpolarity due to a remarkable increase in transnational linkages. Transnational practices by MNCs and migrant entrepreneurs occupy a fundamental place in this respect. In the Iranian example, there are still hundreds of MNCs that are operating in Iran and a huge amount of Iranians in the Diaspora that are working to sustain the regime and its people. It is critical to note that over 150 German firms are well established in Iran’s oil and natural gas industry.
In addition to that, judging from the analysis of many, it can be argued that the western efforts, exhibited through sanctions, are more intended at regime change than the regime changing its nuclear policy. A majority of observers draw a number of parallels between the sanctions on Iran and those on Iraq and the subsequent invasion of the later. It is pretty easy to equate the allegations that the Bush administration leveled against Iraq that were to culminate into the Iraq war of 2003 with the one against Iran. These analyses are done while the state of the deadlock between the west and the Islamic Republic of Iran remain unchanged despite rounds of talks and round-table negotiations. From those futuristic observers the future of the relations remains as dubious as that of sanctions utility. To date, the UN, US and the EU are of the firm belief that Iran is on a prosperous path towards the possession of a nuclear bomb. The noted trio is in the interim maintaining some of the harshest sanctions in history on Iran with the controversial but official and stated aim of scaling back the latter’s, also controversial, uranium enrichment levels. From Iran’s end, the levels of enrichment and the entire nuclear program are virtually for peaceful and civilian purposes, that is, to supplement the scarce energy provision in Iran. Iran unequivocally alleges that the Western powers are pushing a sinister and hidden agenda of regime change using sanctions as a weapon. Nevertheless, according to the assessments in this study, the sanctions have, so far, failed in attaining both the official goals of sanctions and their allegedly sinister agenda of regime change despite the harm done on the livelihoods of ordinary Iranians. This is a highly objective conclusion which may face no or at most little by the smart sanctioners of the EU and the UN or by both the Whitehouse and Tehran.

As this study seeks to be concluded, it is just also to summaries on the factors that are undermining the power of the sanctions as a ‘weapon’ in the diplomatic ‘war’. From a historical perspective, sanctions first saw their disempowerment by the rise of trade liberalization. The liberalization of various countries’ trade and investment regimes did much harm to the effectiveness of sanctions. Trade and liberalization necessitated and facilitated the integration of various national capital markets into common markets. This relates to Iran’s involvement in the GCC, OPEC and the Shanghai cooperation, functional bodies that are aiding the thriving of Iran’s trading activities. As was and still is the case in Cuba, Zimbabwe and many other sanctioned economies, increased international migration along with transnational family ties and improvements in Information & Communications Technology (ICT) have jointly and equally spurred immense capital movements across borders. This is accomplished through Foreign
Direct Investment, remittances as well as portfolio investment. In the Islamic republic of Iran, foreign direct investment by MNCs and remittances by Diaspora workers are currently crucial sources of outside financing. This is not only applicable to Iran but for most third world countries whether or not under any form of sanctions. Such transnational activities among others have mitigated the effectiveness of coercive diplomacy against the target states in this case Iran as the country continue to be financially relatively stable, a situation that the sanctions are set to deny.

To sum up, it is worth to understand that if sanctions were able to achieve limited successes in the 1990s and years before that, one can argue with as much boldness as he or she can gather that sanctions are not likely to register minimum success in the 21st century. In fact the utility and futility has been seriously undermined and the possibility of the continued use of sanctions can’t be ascertained. The wisdom behind the use of sanctions in both the diplomatic and academic circles has been seriously questioned and subsequently doubted as revealed in this research study. Nonpolarity has not only offered an enabling environment for Iran, but also for North Korea, Zimbabwe and Cuba to cheat their way past international multilateral and unilateral sanctions regulations. In those four current targets of the sanctions, there has been relative political stability, a situation that does not promote the success of any sanctions project. Iran and Zimbabwe have seen some chaos in their political system but such was no sufficient to generate as much riots as needed to guarantee regime overthrow. The targets have been able to assume the full advantages that globalization offer. The targets, due to a nonpolar environment can obtain those resources, be they material or financial, through the promotion of FDI inflows, stimulation of remittances and tapping international (Asian) markets.

As agreed in this study, as a result of globalization, complex interdependency and nonpolarity, sanctions are no better option in resolving diplomatic stand offs. It is also agreeable that sanctions against Iran have so far failed in their mammoth task of bringing firstly the economy and later the current regime to their knees. The question that then follows in the mind of any level headed individual will be what then should follow or replace the three pronged sanctions against Iran? According to analysts there are few scenarios which are either acceptable or unacceptable depending on whose view is being sought. One scenario is that Iran is allowed to build a nuclear bomb. While there seems to be time and opportunity to attain a diplomatic
solution that time and opportunity may not suffice to convince the Iranians to ship out their enriched to be converted into fuel which feeds the Tehran Research Reactor that manufactures medical isotopes as suggested by the P5+1. According to estimates, Iran could not have a nuclear bomb till the year 2015 as the possible earliest. What this entails is that, there is a possibility of a nuclear armed Iran after 2015 and evidence suffices to show that Iran is on the right path. However this scenario, while possible is highly unacceptable. It is unacceptable not only to the sources of the sanctions regime, but also to nuclear states like Israel, India, Russia and Pakistan who view a nuclear Iran as compromising their diplomatic cutting edge. Other Persian Gulf states especially Saudi Arabia will also not applaud at Iranian achievement of a nuclear state status since such will definitely work against their power and broader interests in the region.

The other scenario is one of a pre-emptive strike on Iranian nuclear plants before she successfully build a nuclear bomb. Such military strikes will obviously target Natanz reactors, others in Tehran and Esfahan. In that event the nuclear research complex situated in Tehran will also not escape. While with imaginable difficulty for the attacking forces, such a campaign would seek to obliterate the nuclear enrichment facility of Fordow that is embedded 200 to 300 feet inside a rock. Unlike Libya, Iran will possibly retaliate on a massive scale thus targeting American lives and destroying American facilities and bases in the Middle East. Generally, western interests in Afghanistan and Iraq as well as the Persian Gulf will be disturbed following a hot war between Iran and NATO. Besides that, the Islamic Republic of will not fold hands as dearly held nuclear assets and facilities get destroyed. She would surely utilise own massive conventional rocket capability along with IRGC anti-ship missiles. One must not also underestimate Iran’s tiny submarines, swift striking boats as well as mine warfare across the Gulf landscape. Many analysts and observers firmly believe that once attacked the Islamic Republic may attempt or in fact shut the Strait of Hormuz, a development that would generate enormous amounts of havoc on the global oil markets.

The above scenarios are the two most possible ones according to this study. These scenarios are thought to emerge following the seriously held assumptions that as a result of nonpolarity, sanctions and all other forms of diplomacy will not stop Iran from acquiring a nuclear weapon if it has sufficient determination to go nuclear. This is supported by professor Kenneth N. Waltz
(2012: 02) in a comment article titled Why Iran Should Get the Bomb Nuclear?: Balancing Would Mean Stability. Waltz (2012: 02) boldly states:

“The historical record indicates that a country bent on acquiring nuclear weapons can rarely be dissuaded from doing so. Punishing a state through economic sanctions does not inexorably derail its nuclear program. Take North Korea, which succeeded in building its weapons despite countless rounds of sanctions and UN Security Council resolutions. If Tehran determines that its security depends on possessing nuclear weapons, sanctions are unlikely to change its mind. In fact, adding still more sanctions now could make Iran feel even more vulnerable, giving it still more reason to seek the protection of the ultimate deterrent.”

Whether in the near or far future Iran may wake up one morning announcing its nuclear tests to the entire world since coercive diplomacy has so far failed to curtail the country’s illicit nuclear developments. It is now up to the international community to commence contemplating on how to co-habitat with a nuclear armed Islamic Republic. This advice may be viewed as premature by some. The American and the Israeli policy makers may view this scenario as unacceptable and far-fetched, not because it is so but simply because they are reluctant to imagine such a reality. To some the advice may appear too ambitious though it remains the thinking of this writer that the view that sanctions will bear desired results in the future is more ambitious, if not recklessly naïve, than imagining a nuclear armed Iran.

Adding to that the international community needs to further explore the benefits that come with nuclear proliferation. Instead, the EU and the US as well as the UN have overemphasized on the hazardousness of nuclear weapons. The mentioned parties have succeeded on convincing those that have taken moments to listen to them that nuclear proliferation will lead the world into a nuclear Armageddon despite this being contrary to the international system’s historical developments. Instead nuclear weapons have brought more stability than the often touted
instability and history can boldly testify to this overlooked reality. A handful of the nuclear states acquired their nuclear capabilities after World War Two and none have dared to bring them into use thus avoiding a betrayal to the deterrence theorists.

The above argument is strengthened by Waltz (2012: 04) as he notes, “History shows that when countries acquire the bomb, they feel increasingly vulnerable and become acutely aware that their nuclear weapons make them a potential target in the eyes of major powers. This awareness discourages nuclear states from bold and aggressive action. Maoist China, for example, became much less bellicose after acquiring nuclear weapons in 1964, and India and Pakistan have both become more cautious since going nuclear.” There is no sufficient reason to believe that the Islamic Republic of Iran would dare break this trend although realists warn against certainty and uniform behavior in international politics. With nuclear armed Iran is likely to bring not only stability but durable peace. Israel, being the only nuclear state in the region, has abused her dominance for too long, directing and masterminding unperturbed conflicts. Like Waltz (2012: 02), “power begs to be balanced” as this is in the best interests of peace, stability, development, co-existence and most importantly happiness. Sanctions have done enough harm to ordinary citizens and this truth does not need any re-emphasis.

In conclusion, sanctions will find their utility as of no utility in future diplomacy that is practiced in a nonpolar environment. As the liberals celebrate the growing international interdependence, there is no cause for such celebration from the proponents of sanctions. Using sanctions can’t be the best way of resolving standoffs. Instead of resorting to the politics of isolation, 21st century diplomacy should emphasize more on co-operation through constructive dialogue and engagement. If dialogue fails it is better enough to resort to use of legitimate military force than coercive diplomacy. While the UN Charter label them as peaceful means of conflict resolution, sanctions are never a peaceful means of resolving diplomatic standoffs taking into consideration of the starvation, the riots, the coups and the civil strife that they potentially manufacture and many a time meant to cause. In fact sanctions are a ‘bomb’ but, perhaps, were it differs with other bombs is that it is manufactured by paper and ink in the diplomat’s office. One would go to the extremes and voice that if sanctions were to be a weapon of any sort, they would suffer
condemnation by Just War theorists since they cause unnecessary harm and suffering, worse still to illegitimate and civilian targets, without serving desired purpose.
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