CHAPTER - I

INTRODUCTION: SANCTIONS IN

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Sanctions for Foreign Policy Purposes

The term ‘sanction’ as a foreign policy tool might be new to the international politics of 20th century, when it attained the formal legal expression, but not the idea that, in fact, traces back to the pre-political society, where value deprivation in terms of isolation, cutting of monetary aid, confiscation of property and denial of knowledge (which could be paralleled to the modern concept of technological sanctions) to a non-complaint individual or group in response to the non-compliance of accepted social norms were not unusual. Literatures on sanctions account that economic sanctions for foreign policy purposes have had a long and controversial history. Though, generally it can not be ascertained when exactly the sanction for foreign policy purpose was employed, it is generally accepted that they found their early appearance in Greece as early as in 432 B.C.¹

The instrument of sanction is not native to the Americans, but it has found its pioneering appearance in American foreign policy history and it has often been employed for various foreign policy purposes throughout the American history. In one of the well-known steps leading to the American Revolution, the colonists resorted, in 1765, to a boycott of the English goods in response to the Stamp Act and raised the famous cry of “No taxation without representation”. Owing to the pressure exerted by this embargo the British repealed the Stamp Act the next year, but followed in 1767-70 with the Townshend Act to cover the salaries of colonial governors and judges. The colonists again retaliated with a boycott that eventually led to the Boston Tea Party of 1774.²


Sanctions were the cause of the war of 1812 and they weakened the confederacy a half century later, and were levied against Spain during the Spanish-American war of 1898.\(^3\) The study of Haufbauer, Schott and Elliot (HSE), a group of prominent scholars on economic sanctions and their estimation that the instrument of sanctions has been employed 103 times between the years of 1914 and 1984, is a witness to the fact that this foreign policy instrument has got its steady increase from the world war-I in American history.\(^4\) Thus, sanctions have occupied an important, if not always distinguished place, in the US history.

However, the instrument of sanctions as foreign policy statecraft gained its utmost importance during the cold war, at times targeting on the behaviour of the Soviet Union and its allies through withdrawal of Most Favoured Nations (MFN) trade status, for example on Soviet emigration practices, and through embargo, for example introduced against Cuba soon after the communist takeover. The sanctions were imposed also on other countries to settle what the US viewed as illegal expropriations, to destabilize unfriendly governments, or to penalize foreign countries for their use of military force beyond their borders.\(^5\)

After the end of the cold war, the imposition of sanctions by the US increased for number of internal or policy reasons. Imposition of sanctions was considered as proportional response to a challenge in which the interests at stake were judged to be less than vital. And also, even if there are no vital interests to be achieved, the sanctions can serve symbolic purposes to communicate the displeasure of the American government with a certain behaviour or action of other countries like violation of human rights, thus

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\(^5\) Haass, n. 3.
satisfying a domestic political need to do something. Imposition of sanction can serve to send a deterrence message to the uninvolved but observant third parties to the extent that the third parties do not dare to commit the same kind of mistake that invoked sanctions on the second parties. The instrument of sanction provides a less expensive alternative to military force in those instances in which US interests are not deemed sufficiently important to justify human casualties and high moral and financial costs. This reason is the wisdom of history; sanctions became alternate tool of foreign policy to the overt warfare and failure of pure diplomacy. In addition to the US Executive branch’s preference to impose sanctions, the growth of the congressional power relative to the executive power and its regular introduction of sanctions bill often on behalf of individual or special interest groups also prevail as a reason.6

Apart from these internal reasons for the surge of sanctions, there are external reasons including the absence of Soviet Union’s opposition and challenge to the American sanctions against Soviet allies, the growth of mass media and consequent awareness of American public on the international noncompliance and demand for government response for which sanctions became easy option and growth of lobbyists and nongovernmental organizations, called as “single-issue constituencies”, pressurised the politicians with campaign funding, media campaigns, and manipulated data to pressure them into imposing sanctions against foreign governments as in the case of human rights groups successfully campaigning for imposing sanctions against South Africa’s apartheid regime.7

Numerous laws for imposing sanctions were introduced in the cold war years. Apart from 30 country-specific sanction laws, numerous sanction laws to achieve at least

6 Ibid., pp. 2-3.

29 broad categories of various policy objectives have been introduced in the cold war and post cold war years. The most important category of current sanction laws include: nuclear proliferation; missile proliferation; chemical and biological weapons proliferation; general US national security or foreign policy objectives along with US trade policy legislation which is some times used for foreign policy objectives and extradition.8

Sanctions for Non-Proliferation Purposes

Evolution and operations of the non-proliferation sanctions have a long history. The Baruch Plan of 1946 contained recommendations for imposing sanctions as a punitive measure against violators of the universal non-nuclear regime, which was expected to come into existence after the Plan was adopted. The Baruch Plan had envisaged removing national control over atomic energy and entrusting it to an international regime, violating which was to be stigmatized as international crime and punishment was to be followed. The proposition that the punishment was not vetoable in the United Nations Security Council exhibited the seriousness and stringency of the non-proliferation sanctions.9

Though the non-proliferation regimes like Nuclear Non-proliferation Treaty entered into force in 1970 without any reference to sanctions, sanction was an implicit option in the nuclear non-proliferation regime. At the national level, especially since the 1970s, legislation for non-proliferation sanctions were fast introduced and invoked by nuclear supplier countries on states suspected of developing nuclear weapons or on violators of some aspects of the non-proliferation norm,10 while in international level

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10 Ibid.
nuclear non-proliferation regimes were slow in including provisions for sanctions. The US became the pioneer in the national level attempt to provide teeth of sanctions to non-proliferation efforts.

Even though sanctions as a foreign policy means started evolving (ever since the American protest against Stamp Act in 1765) in 18th century itself, it found its prominent place only in 20th century where the US recognized that security of the nations must be given top priority in the nuclear environment. Particularly the idea of employing sanctions tool for non-proliferation purposes gained momentum since the Second World War that witnessed the horror of the weapons of mass destructions.

During the cold war years, which were strikingly marked by the vertical nuclear proliferation driven by the arms race between the US and the USS.R., the US introduced sanctions ironically for containing the horizontal spread of nuclear weapons technology and other nuclear weapon related material to non-nuclear weapons states. However, active role of nuclear non-proliferation sanctions started playing only from the 1963, with the signing of Indo-US nuclear cooperation, in which diversion of American origin nuclear materials for nuclear weapons purpose was meant to be punished by a cut off of nuclear fuel.

The declaration of Eisenhower's "Atom for peace" policy of 1954 heralded the civil nuclear proliferation. The "Atoms for peace" concept was conceived in response to the competitive commercialisation of the atomic power technology by the Soviet that had conducted thermo-nuclear test, Britain that had detonated a nuclear explosive device and Canada, France, Belgium and Italy that had initiated a national nuclear programme.\textsuperscript{11} The US was forced to go for this "Atom for peace" policy forgoing the earlier US nuclear policy of secrecy and denial and despite a law that imposed the death penalty for leakage

of nuclear technology.\textsuperscript{12} There was concern in the United States that without a change in American policy of secrecy and denial, Britain, which had taken the lead in developing commercial atomic power technology, might capture the prospective global nuclear market with its gas-cooled reactors.\textsuperscript{13} The changes in the global nuclear market led the US Congress in 1954 to extensively rewrite the Atomic Energy Act of 1946, in order to give effect to Eisenhower's "Atoms for Peace" proposals and avoid loosing commercially advantageous global nuclear market.\textsuperscript{14} The strategy of the original Atomic Energy Act to prevent spread of nuclear weapons was through effecting "secrecy and denial", while the strategy of revised Atomic Energy Act to halt the spread of nuclear weapons was through achieving "influence derived from cooperation" of host country with which the US had signed nuclear cooperation agreement.\textsuperscript{15}

The Atomic Energy Act of 1954 not only tried to achieve influence through cooperation, but also paved the way for getting other countries committed to non-proliferation principles and safeguards, which were precondition for a country wishing to receive nuclear material and to have collaboration with the US through bilateral agreements. Use of the exported material was to be used only for peaceful purposes by the receiving country and to that effect the bilateral agreements contained peaceful-use-clause and required also the receiver to pledge that the material would not be used for weapons purpose, failing which would inevitably lead to cutting-off of the fuel supply by the US.\textsuperscript{16}


\textsuperscript{14} Scheinman, n.\textsuperscript{11}, pp. 63-64.

\textsuperscript{15} Donnelly, n. 13, p. 7.

Though the “Atoms for Peace” policy of Eisenhower had emphasized America’s altruistic goals in promoting the Atomic energy for peaceful purposes, the political motive of the new policy was to divert the world from the accelerating nuclear-weapons competition.

The “Atom for Peace” policy had a positive approach as the United States volunteering to provide assistance to any state, under certain conditions, setting up civil nuclear installation, especially power generating programme. However, it had a hidden agenda of the US where by it could be present in the host country legally under the collaboration programme and monitor the trend and growth of the nuclear programme. In reality, it meant that the US could put a tap in any collaborating company by monitoring any deviation of nuclear fissile material diversion for weapons programme.

**Tarapur Fuel Suspension: A Rudimentary Non-Proliferation Sanction?**

When America accused India of having diverted fissile material for its “Peaceful Nuclear Explosion” (PNE) in 1974, a rudimentary sanctions regime was upheld by suspending fuel shipment for Tarapur nuclear plant setup under the Indo-US agreement on nuclear cooperation in 1963. After India’s nuclear test, compelled by the fact that it lacked statutory provisions for imposing formal sanctions, the US went for suspension of the fuel to the Tarapur Atomic Power Station, as a punishment to the India’s nuclear test on the premise that India violated, at least in spirit, “peaceful-use-clause” of 1956 and the 1963 Indo-US nuclear agreement. Thus, for the first time, a rudimentary non-proliferation sanction regime was introduced by the suspension, if not a complete ban, of a nuclear material to a foreign nation in retaliation to a nuclear test by that nation.

Though the fuel suspension was not announced as sanction by the U.S when it suspended the fuel to TAPS, it amounted to a sanction, as it possessed the rudiments of sanction. The two basic characteristic elements that instrument of sanction possesses are: punishment for wrong doings; and demand to be met by the target country if it wants the punishment to be withdrawn by the sender. The other two elements that flow from the
basic elements include incentive to the target country to influence for a positive outcome and negotiation to carryout this influence. These two are functional only when the sanctions are imposed for achieving certain demands and when it is not just for the sake of punishment. The punishment and incentive are like stick and carrot to beat or hug the target state as and when required in order to achieve the objectives. There is no difference between a sanction and a suspension of certain commodities to the target state, because in both the cases the banned commodities could be resumed any time when the target state meets the demands of the sanctioner.

And, this fuel suspension could be paralleled to the technological sanction. It is borne out of the fact that India signed an agreement with the US to buy nuclear fuel and other equipments since it did not have the technology to produce them. Thus, when the US suspended fuel it amounted to technological sanction. An analysis of the concept of sanctions would support the above interpretations.

The origin of the meaning of the word "sanction", in Roman law meant a penalty imposed upon a person who violates the law, placing the emphasis only on the punishment. The definition does not refer anything even remotely on demands or objectives. The punishment was to deter any future violators not to achieve the objective of making the violator to undo the wrongdoings. In 1938, the British Royal Institute of International Affairs (RIIA) defined sanction as an "action taken by the members of international community, against an infringement, actual or threatened of the law." This definition does not indicate the purpose of sanction as to whether it was only for the sake of punishment or also to achieve certain goals. The New Encyclopedia Britannica defines "Sanction, in the social sciences, a reaction (or the threat or promise of reaction) by


members of a social group indicating approval or disapproval of a mode of conduct and
serving to enforce behavioral standards of the group.” ¹⁹ This definition does refer to both
the punishment and demand on the target. The punishment meant to disapprove
wrongdoings and to deter the future violator and demand on the target was to undo the
wrongdoings. This reflects the growth of the concept of sanctions in each stage of social
life. Then the next stage of the growth of the concept was attaining of legal recognition at
national and international level when it infiltrated into the state and statecraft and
international organisation like League of Nation and United Nations.

The Encyclopedia Americana defines international sanctions as “....penalties
applied against a state in order to make comply with international law. Sanctions are
applied by, on behalf of, at the request of an international organisation representing the
international community. They are directed against a state or group of states that has
violated an international obligation, especially obligation to refrain from military
aggression.”²⁰ According to Oxford Advanced Learners Dictionary, sanction refers to
“measure taken to force a country to obey international law.”²¹ Here the term “measure”
may refer to any one or all of the following; trade, economical, military and technological
bans or sanctions.

Professor Johan Galtung at the Institute Universitaire d’Etudes du Development,
Geneva, defines sanction as “actions initiated by one or more international actors (the
“senders”) against one or more others (the “receivers”) with either or both of two
purposes: to punish the receivers by depriving them of some value and / or to make the

¹⁹ Robert McHenry (ed.), “Sanctions, in the Social Sciences”, The New Encyclopedia Brittanica,
Macropedia, Ready References (The University of Chicago, London: Encyclopaedia Britannica, Inc.), 15th

²⁰ Margaret P. Doycey, Economic Sanctions and International Enforcement (London: MacMillan Press,

p. 1119.
receivers comply with certain norms the senders deem important."\textsuperscript{22} Professor Galtung has defined the concept of sanction, clearly reflecting one or both of the two purposes for which the sanctions could be employed; the punishment and certain demands or goals on the target to undo wrongdoings. In all the above definitions two characteristic elements are fundamentally present; they are (i) the punishment to pressurise, and (ii) demands or goals or objectives to be achieved in the target state through exerting the pressure.

Clearly these two characteristics are fundamentally present in the case of Tarapur fuel suspension. When every time the US suspended fuel shipment and every time it refused to approve fuel license, India was expected by the US to perform certain actions in tune with its non-proliferation objectives. The fuel suspension and the refusal to approve the fuel license were the measures to pressurise India and the non-proliferation objectives were the demands on the target, India.

A similar case to Tarapur fuel suspension, the case of the US versus Taiwan vis-à-vis fuel suspension, was considered by the Haufbauer, Schott and Elliot (HSE) as a case of sanction. On 29 August 1976, well after India's Tarapur fuel issue erupted, the United States announced that a nuclear fuel shipment and licenses for two new power reactors for Taiwan would be held up and put up a demand that Taiwan should stop reprocessing spent reactor fuel that could be used for making nuclear weapons, if Taiwan wanted the US to resume its nuclear cooperation.\textsuperscript{23} Also in the case of Canadian suspension of uranium shipments to Japan and EC and its demand of renegotiating the existing bilateral agreements for nuclear cooperation to tighten its safeguard arrangements on 1 January 1977, especially after Canada's accusation that India have used Canadian uranium for its nuclear device in 1974, HSE considered the case to be of sanctions and rated it as


successful. Therefore, there were ample evidences to suggest that the Tarapur case was a case of sanction.

The suspension of fuel and refusal to license fuel applications to Tarapur were the first of its kind and they were introduced in rudimentary form as there existed no statutory provisions for non-proliferation sanctions. Subsequently an enlarged sanction regime framework was formulated by the US from 1975-87. In the domestic front the US enacted number of non-proliferation sanction related legislations viz Symington Amendment in 1976, Nuclear Non-Proliferation Act (NNPA) in 1978, Glenn Amendment to the 1961 Foreign Assistance Act in 1981, Solarz Amendment in 1985 and country specific Pressler Amendment also in 1985. The US also took initiatives and led to establish international non-proliferation sanctions regimes like Nuclear Suppliers Group (NSG) or London Group in 1975 and Missile Technology Control Regime (MTCR) in 1987.

Although, sanctions as a policy had been part of the American foreign policy tradition, a non-proliferation sanction regime that sought a clear direction to achieve the non-proliferation objectives through the imposition of sanctions was clearly spelt out only after the India’s nuclear test in 1974. Thus, nuclear non-proliferation sanctions regime originated and assumed significant positions in the statecraft of sanctions in American Foreign policy, which are dealt with in the subsequent chapters.

Experience of Non-Proliferation Sanctions in Other Countries

In the seventies and eighties the US imposed non-proliferation sanctions on many countries under these statutory non-proliferation sanctions regimes to achieve non-proliferation objectives. As already seen, in 1976 the US suspended nuclear cooperation with Taiwan, demanding that Taiwan should stop reprocessing spent reactor fuel. Haubauer, Schott and Elliot rated it as a successful case of sanction, as Taiwan dismantled one acknowledged reprocessing facility in 1977. However, Prof. Robert A. 

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24 Ibid., pp. 135-136.
Pape later challenged this success, as there were other credible explanations for this success. Pape considered this a sanctions failure because Taiwan’s 1977 concessions were trivial and insincere, as Taiwan continue to reprocess the reactor-spent fuel at a larger, secret facility. On the information provided by the US intelligence, the US pressurised Taiwan, which declared in 1988 that it was permanently shutting down the reprocessing plant. The other credible explanations or alternative reasons for the decision of Taiwan in 1988 were: China’s repeated threats that it would invade Taiwan if it ever deployed nuclear weapons and a possible implied US threat to withdraw its security commitment to Taiwan.\(^{25}\)

The nuclear non-proliferation sanctions were seasonally imposed also on Pakistan ever since the US intelligence community discovered Pakistan’s secret nuclear weapons programme, which gained increasing momentum in the 1970s following the defeat of Pakistan in 1972 Indo-Pakistan war over Bangladesh and India’s “PNE” in May 1974. After the Ford Administration failed in its hectic attempt to sway Pakistan and France to undo Franco-Pakistani contract signed in October 1974 for a plutonium reprocessing plants, the Carter Administration slapped economic sanctions on Pakistan under the provision of 1977 Glenn Amendment that prohibited economic and military assistance to a country that delivered or received reprocessing materials, equipment or technology or detonated a nuclear explosive device. Later when the Carter Administration succeeded in getting France to agree revising the contract with Pakistan in 1978 and resumed economic assistance to Pakistan, the US, for its disappointment, learnt that Pakistanis were trying to purchase “inverters”, a key element of centrifuge process. Consequently, for the second time in April 1979 the US suspended economic aid this time in pursuant to the 1976 Symington Amendment that also barred economic and military assistance to any country importing unsafeguarded enrichment technology. Despite the evidences were mounting on Pakistan’s active nuclear weapons programme, the US waived the sanctions

\(^{25}\) Ibid., pp. 128-129.
in December 1987 under the provision of the 1985 Pressler Amendment that was specifically legislated in favour of waiving sanctions on Pakistan in order to get the Pakistan’s cooperation to fight against the Soviet troops that had invaded Afghanistan in 1979. In the fall of 1988, under the provision of Pressler Amendment, President Reagan certified again that Pakistan did not possess a nuclear weapon, facilitating the continuation of the waiver on Pakistan. The US also had subordinated its non-proliferation objectives to a higher priority of containing Soviet expansionism.\(^{26}\)

Despite overwhelming evidence that Pakistan was actively involving in proliferation activities, the US had also exempted Pakistan from Symington Amendment in 1981 for geo-strategic reasons, again sacrificing non-proliferation concerns. The US perceived Pakistan could be a new base for US in Indian Ocean and needed the Pakistan to be a front line state in the fight against Soviet occupation in Afghanistan.\(^{27}\) Along with the exemption from the operation of Symington Amendment on Pakistan, the Senate Foreign Relations Committee approved Administration’s request of $500 million yearly assistance to Pakistan for five years or $2.5 billion.\(^{28}\) However, the Bush Administration in 1990 decided that Pressler certification could not be issued in favour of Pakistan. The reason was simple; with the cold war was over, Pakistan lost its geo-strategic importance in US eyes. So, in October 1990 again sanctions were imposed under the Pressler Amendment, stopping US economic and military aid worth $564 million for the financial year 1991. Even then Pakistan was ready to freeze the nuclear programme, but not the existing capability itself.\(^{29}\) The threat of newly established non-proliferation sanctions could not deter Pakistan from pursuing active nuclear weapons programme and the

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\(^{29}\) Kux, n. 26, pp. 165-166.
imposition of sanctions could not rollback its established nuclear programme and thus the non-proliferation sanctions clearly failed in preventing Pakistan from developing nuclear weapons capability.

While the US kept waiving the sanctions imposed on Pakistan, India was subjected to tremendous pressure by the US to accept non-proliferation demands like full-scope safeguards and perpetual safeguards in the beginning of the eighties. The soft attitude of the US on Pakistan over non-proliferation issue in the aftermath of Soviet invasion of Afghanistan, while it showed increasingly hardened attitude towards Tarapur fuel supply issue highlighted the height of politics in its non-proliferation sanctions policy. The US sanctions policy became selective and thus discriminatory, loosing the credibility of its non-proliferation commitments. The imposition of sanctions and lifting of sanctions are not purely on non-proliferation merit basis. Other issues that are not related to non-proliferation also played significant roles. Later it stood exposed also in the case of sanctions vis-à-vis M-11 missile issue that involved China and Pakistan.

The US employed the instrument of sanctions not only on the non-nuclear weapon states, but also on the nuclear weapon states like China and Russia for non-proliferation purposes. China has been involving in proliferation activities in the Middle East and South Asia from late eighties. When Iran fired Chinese Silkworm missile on US warships in the Persian Gulf, the US confirmed the intelligence report on Chinese missile proliferation and the Reagan Administration froze the ongoing liberalisation of regulations limiting technology exports to China. After the Chinese assurances in March 1998 that it will stop Silkworm missile shipment to Iran and supplied the US the necessary technical information to neutralise the missiles, the sanction was lifted. However, few weeks later, the US intelligence reported that China had sold Saudi Arabia CSS-2 intermediate range ballistic missiles. A mere assurance from China that the missiles sold will not carry nuclear warheads prevented the US from imposing MTCR sanctions, which actually attracts sanctions for missile proliferation notwithstanding
whether it is deployed with payloads or not. Also the US announced licensing export of satellites and other military equipments. In sharp contrast to this, India's repeated assurances of civilian use did not prevent the US from imposing sanctions on both India and Russia in May 1992 in Indo-Russian Cryogenic technology sales. But again following the US decision to F-16 arms sales to Taiwan, China retaliated by transferring M-11 missiles to Pakistan in 1992. Then sanctions followed in August 1993 and negotiations started finally making China to agree not to export missiles. The October 1994 agreement specifically prevented China from arguing that because the M-11 missile has not been tested with payload weights and it is not governed by MTCR.\(^{30}\)

China had also exported launch vehicles for the M 11 missiles in 1991 and was preparing to sell M-9 missiles to Syria. The U.S imposed sanctions denying export of satellite component, high-speed computers, US participation in Chinese satellite launches and sales of missile technologies. Following a yearlong Chinese non-committal on adherence to MTCR guidelines throughout the parleys between the US and China, finally in February 1992 China agreed to abide by the MTCR guidelines. But China did not clarify its 1992 commitment to apply "inherent capability" on technology exports. Because of the US position towards Taiwan, China refused to negotiate on this issue and it was reflected in Chinese plans to transfer M-11 missile technology to Pakistan for indigenous duplication.\(^{31}\)

The US sanctions succeeded in preventing Chinese missile proliferation activities in the Middle East, but not in South Asia. Because, the US was not serious in its non-proliferation commitments in South Asia and imposed only limited sanctions on Chinese missile transfers to Pakistan. The US tried to selectively prevent China from proliferating nuclear, missile technology. The US was serious in the case of Chinese proliferation to


\(^{31}\) Ibid., pp. 23-24.
Middle East states where the US security interests were at stake. The US was not serious in preventing Chinese proliferation activities in Pakistan, also because the US could not compromise on its Taiwan policy, as Taiwan card could be used to beat with China when required. Even if the US was serious on Chinese nuclear nexus with Pakistan, it would have not been easy to change Chinese behaviour vis-à-vis its missile transfer to Pakistan, since China wanted to add to its "all weather friend" Pakistan’s arms race with India in order to destabilize India’s security prospects.

In the case of Chinese export of ring magnets to Pakistan, the US suspended consideration of US Export Import Bank loans and threatened to impose restrictions on technology exports to Chinese military entity suspected of cooperating with Pakistan. Finally, the threat of further sanctions deterred China to compromise. As the US played tough, the further sanctions were impending as required by the Glenn and Symington amendment. An imposition of sanction would have caused much damage to the already soured relationships in the 1996 Taiwan Straits confrontation and this would have cost the Chinese economic and other interests more than the cost of actual sanctions. Thus, improving the bilateral relationships also was a factor for China to compromise.32 The experience here is that when the US was serious in its non-proliferation commitments and severe in its sanctions policy, China gave in.

The US sanction on Russia was for its space agency Glavkosmos signed an agreement with Indian Space Research Organisation (ISRO) in 1991 to transfer Cryogenic rocket technology and engines for launching communication satellites. The US objected to the agreement on the ground that the deal violated MTCR guidelines.33 As the US viewed that the technology could be used for dual purposes, space research as

32 Ibid., pp. 27-28.
well as missile development, it slapped trade sanctions on both Glavkosmos and ISRO in May 1992. In January 1993 Yeltsin had stated that Russia would deliver cryogenic engines and space technology for India’s space program despite the imposition of sanctions on both organizations by the United States. But in June 1993 the US reportedly warned Russia again that its companies could face economic sanctions if it did not cancel the deal. The US also dangled carrot to Russia that if Russia adhered to the American interpretation of the MTCR, it would be invited to share in the US space market. In the compensation package the US offered bidding rights for launching nearly a dozen commercial satellites in the coming six years at $40-70 million a piece and promised to help in the construction of the international space station “Freedom”. Also Russia reportedly received financial package of compensation worth $43,000 million offered in Tokyo meeting in April 1993 from the US and other G-7 countries for scraping the deal. Later, in June 1993, Russia succumbed to the US pressure and excluded the transfer of “dual use” technology. Succumbing to the US pressure Russia also agreed to join the MTCR in early September 1993 and all the existing technology transfer contracts with other countries were accordingly revised. Russia did, however, supply rockets to help India to develop the technology to launch geo-stationary satellites. Yet, the launching of short-range surface-to-surface ballistic missile, Prithvi, and intermediate-range missile, Agni, by India went ahead.


37 Singh, n. 34, p. 74.
Sanctions on Russia succeeded because national security of Russia was not at risk. Already it was a nuclear weapons state and was involving in proliferation activities only for economic gain. The sanctions also succeeded because of the realization of the target state that by adhering to the US non-proliferation demands it will gain more economic advantage than the advantage it was vying for through sale of its nuclear technology and other materials.

Debate on effectiveness of Sanctions

The past experience of sanctions in achieving non-proliferation objectives and other objectives like promoting human rights, democracy was sometimes, in some cases, successful and in some other cases a failure. However, the instrument of sanctions fast became the most preferable choice of American foreign policy. The US is the only country that has frequently used sanctions either unilaterally or multilaterally through the medium of U.N. And the US has gone to the extent of imposing secondary sanctions on the countries that were taking advantage out of American embargoes and trading with the target states, depleting the pressure of the US trade sanctions in the target states. In a short span of four years from 1993 to 1996 at least thirty five countries were targeted by the US economic sanctions, affecting forty two percent of the world's population and reflecting the mockery of the American championship of global free trade. The instrument of sanctions gradually became the top most foreign policy tool for American non-proliferation objectives for three decades now, particularly in the seventies, eighties and early nineties.


At this juncture, the policy debate conducted in the weeks preceding the Gulf War raised again the age-old question of whether or not economic sanctions can be an effective instrument of foreign policy. Since the very beginning of the age of sanctions as a statecraft to conduct foreign policy, there has been a robust debate among the scholars, academicians of international relations, economic studies and policy makers, on the questions: (a) whether sanction is an effective instrument or ineffective, comparing the cost benefit analysis with other instruments of foreign policy viz- military intervention, propaganda, diplomacy?; (b) whether it is a standalone instrument of foreign policy or supplementary instrument, which could work only with other foreign policy tools?; and (c) whether it is having sound moral value on humanitarian ground or not, considering the ill effect of sanctions on civilians? The answers for these questions have been varied.

In 1985 David A. Baldwin in his study entitled “Economic Statecraft” concluded “the utility of economic techniques of statecraft has been systematically underestimated primarily because of inadequacies in the analytical frameworks used to make such estimates.”41 His study challenged the “conventional wisdom” that was constituted by belief of many scholars in the past that “sanctions do not work effectively”.

In the same year of 1985, Garry Hufbauer, Jerry Schott, and Kimberly Ann Elliott (HSE) – eminent American economists – concluded their study “Economic Sanctions Reconsidered.” This study, the first of this kind of investigation based on large number of empirical records of sanctions episodes, evoked a hot debate between the authors HSE and Robert A. Pape42 over the effectiveness of sanctions. The first most influential study conducted on the sanctions of 115 cases by HSE reported 40 out of 105 cases of sanction succeeded and concluded that “although it is not true that sanctions ‘never work’, they

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42 Robert A. Pape was Assistant Professor of Government at Dartmouth College, U.S. and the Author of “Bombing to Win: Air Power and Coercion in War”.
are of limited utility in achieving foreign policy goals that depend on compelling the
target country to take actions it stoutly resists...The success rate importantly depend on
the type of policy or governmental change sought".43 Favouring optimistic school of
thought, the study recommended to the policy makers that sanctions could achieve
ambitious US foreign policy goals provided there was elimination of the lack of political
will on the part of key leaders around the world. And, further, Elliot – one in the HSE
group of economists – added "sanctions can be effective only if they are part of an overall
coherent policy including skilled diplomacy and, where appropriate, credible threats of
additional force are applied, if compliance is not forthcoming."44

Pape in his study “Why Economic Sanctions Do Not Work”, a response article to
“Economic Sanctions Reconsidered,” however, directly challenged the emerging
optimism that he found in HSE study, about the effectiveness of economic sanctions.
Pape’s article “casts doubt on claim that economic sanctions can achieve major foreign
policy goals. It demonstrates that empirical basis on which advocates have promoted
economic sanctions- the HSE data base- is fundamentally flawed, and that the deductive
logic behind the theory does not consider the characteristics of modern nation states that
weaken the effectiveness of economic sanctions.”45

He provided evidence also for this conclusion by revisiting the 40 successful
cases of study conducted by the HSE study and argued only 5 out of 40 cases succeeded.46

43 Quoted in, Kimberly Ann Elliot, “The Sanctions Glass: Half Full or Completely Empty?”, International

44 Elliot, n. 43, p. 58.

45 Pape, n. 23, p. 109.

46 Ibid., pp. 99-106.
The increasing pessimistic school of thought that advocates, "sanctions usually do not work" seems to have subsided the optimistic school of thought that supposedly has weak advocacy on the effectiveness of sanctions.

Amidst the tug of war between optimistic school of thought and pessimistic school of thought, the sanctions are fast becoming the policy tool of choice for the United States in the post–cold war world. This widespread use of sanctions constitutes one of the great paradoxes of contemporary American foreign policy. Since sanctions appear frequently to be the weapons of choice of foreign policy makers, it is essential that, further research should be continued to work towards understanding whether sanctions contribute to achieve foreign policy goals or serve only symbolic purposes.

At a time when the effectiveness and utility of sanctions in promoting foreign policy goals like non-proliferation objectives attracted robust debates, the second biggest non-proliferation sanction on India came to the fore in response to India's Pokhran-II nuclear tests in May 1998. At the backdrop of these debates on sanctions that still continue to stir the policy-making community in the US, the present study assumes greater significance, as it is slated to investigate primarily the effectiveness of the US non-proliferation sanctions in achieving its non-proliferation objectives in India in the case of Pokhran-I and Pokhran-II nuclear tests.