

## THE ECONOMIC INSTRUMENT OF POWER AND GLOBALIZATION

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USAWC STRATEGY RESEARCH PROJECT

**THE ECONOMIC INSTRUMENT OF POWER AND GLOBALIZATION**

by

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## **ABSTRACT**

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This paper argues that in today's operational environment the true power of a nation state is economic in nature and that absent a threat to the survival or vital interest of a nation state, the multilateral employment of the economic instrument of power, read targeted sanctions, is the instrument of choice that will enable the attainment of United States national interests.





## THE ECONOMIC INSTRUMENT OF POWER AND GLOBALIZATION

A nation that is boycotted is a nation that is in sight of surrender. Apply this economic, peaceful, silent, deadly remedy and there will be no need for force. It does not cost a life outside the nation boycotted, but it brings a pressure upon the nation, which, in my judgment, no modern nation can resist.

—President Woodrow Wilson, 1919

Twenty years ago the cold war and the threat of mutual assured destruction between two superpowers ended with the collapse of the Soviet Union. Since then, the world has witnessed several events where the employment of military power by the community of nations was necessary to eliminate threats, and perhaps prevent destabilizing conditions that could have led to the collapse of world economies. Specifically, the 1991 Iraqi invasion of Kuwait and the threat of disruption of world energy resources; and the 9/11 attack on the United States and its financial system. Some would ask: why would an attack on the United States financial system concern other nation states? Why is the United States concerned with what happens in the Middle East? Why did speculation, derivatives, and the housing collapse in the United States impact world economies? The simple answer is globalization of world economies. World economies have become so interdependent that consumption in one nation drives demand and increased production in another; development, and production of a good or service is no longer controlled by only one country; and the production of goods in one country coupled with global access has enabled the individual consumer of another country to acquire goods and services that otherwise would be unattainable under closed market conditions. This globalization of world economies, coupled with the fact that many allies and partners of the United States are

becoming risk adverse to the use of military power to restore the balance of power or to protect their national interest, will continue to challenge conflict resolution in today's operating environment. Given today's operating environment, risk aversion, and interdependency of world economies, where does the true power of a nation lie? Further, if nation states see no use for, or limited use of military power as a way to protect their national interest, how and in what form does that country assert itself in today's environment? Can nation states exercise the instrument of economic power to coerce or cause another nation state to do its will? Has the interdependence of the world economies, and free markets, limited the effectiveness of economic sanctions as a means for employment of the economic instrument of power? This paper argues that in today's operational environment the true power of a nation state is economic in nature and that absent a threat to the survival or vital interest of a nation state, the multilateral employment of the economic instrument of power, read sanctions, is the instrument of choice that will enable the attainment of United States national interests.

### National Instruments of Power

“Power, in the international system, is the ability to attain the outcomes one wants or to influence another state or actor to do what you want.”<sup>1</sup> The national instruments of power are the ways or means a nation state exercises power to protect its national interest. These instruments of power express themselves in the form of Diplomatic, Informational, Military or Economic (DIME) measures employed in order to compel or coerce another actor to do our will. Diplomatic power may take the form of exclusion, rupture of diplomatic relations, recall of an ambassador, influence of coalition, partners, or allies, or diplomatic maneuvers. The informational element power is expressed in terms of the use of strategic communications, mass media, education and

or full spectrum information broadcasting used to influence the will of the people.

Military power is the instrument of national power most understood. It is the employment of military force or the threat of use to coerce or compel a belligerent to do your will. The use of force may come in the form of limited or all out war. Employment of the military instrument of power should be used as a last resort in order to protect a survival or vital interest of the nation. Finally, the economic instrument of power consists of those financial or economic actions a nation state may pursue or implement in order to affect the behavior of an actor. The principal manifestation of economic power may come in the form of economic sanctions, the opening or closing of markets, trade agreements, and or economic alliances or treaties. The economic instrument of power is the most coercive instrument of power short of the use of military force. The instrument is often defined as the measures taken when words are not enough to change the behavior of an actor, and use of force is undesirable. However, given globalization and the interdependent nature of world economies, the effectiveness and successful use of the economic instrument of power is questionable. According to Leslie Gelb, "Most nations, but less so the United States, have adjusted their foreign policy to focus on economic security and define their interests in economic terms."<sup>2</sup> Philip Kao, in the Joint Forces Quarterly, argued that, "In the realm of economics, power is derived from productivity, market control, trade surplus, strong currency, foreign exchange reserves, ownership of foreign companies and technologies."<sup>3</sup> He also stated that, "People often refer to the instrument of economic power as the carrots and sticks."<sup>4</sup> Often, the first response to a crisis or a national security challenge is to use the economic instrument of power. David-Leyton Brown defines economic sanctions as, "deliberate government actions to

inflict economic deprivation on a target state or society through the limitation or cessation of customary economic relations.”<sup>5</sup> These involve trade and financial measures, including controls upon exports to the target, restrictions upon imports from the target, and interruption of official or commercial finance, such as cutting off aid or freezing assets – “sticks.”<sup>6</sup> “Carrots”, however, may come in the form of economic assistance, foreign investment or loans with the goal of persuading, influencing or rewarding an actor for compliance or cooperation.<sup>7</sup> In congressional testimony, Sidney Wentraub stated that, “The purpose of economic sanctions is not to punish the actor’s population but to bring about some change in the behavior of that country or the behavior of an actor in that country.”<sup>8</sup> Moreover, sanctions are used to deter, coerce, signal and or punish a belligerent state actor or entity.<sup>9</sup> “Most sanctions imposed by the United States”, according to Richard Haass, “are against nondemocratic regimes, and are used to discourage the proliferation of weapons of mass destruction and ballistic missiles, promote human rights, end support of terrorism, discourage oppression and armed aggression, protect the environment, and or to seek the replacement of illegitimate governments.”<sup>10</sup> The President of the United States, exercising powers that exist in federal statutes, may implement economic sanctions. Sanctions also may be codified by congress in public law; introduced through executive order; or taken pursuant to resolutions of the United Nations Security Council.<sup>11</sup>

### Types of Sanctions

Sanctions may be employed unilaterally, multilaterally or can be targeted in nature. Unilateral sanctions are those sanctions imposed by the United States or another single nation alone. Richard Farmer, CBO Principal Analyst, in a prepared statement for the House Committee on Ways and Means argued “unilateral sanctions

generally result in a smaller cost to the imposing economy, and are less effective in restricting economic activity.”<sup>12</sup> In most cases, unilateral sanctions are ineffective when applied to imported goods for which substitute sources of supply exist or to exported goods for which substitute outlets exist. He further argued that, “unilateral sanctions by the United States may have a deleterious effect on U.S. consumers, workers, and business owners who bear the direct costs of the sanctions without reimbursement.”<sup>13</sup> Sanctions may also block access to potentially fast growing markets in which U.S. companies may have a competitive advantage. According to Stuart Eizenstat, Under Secretary of State for Economics, “primary considerations prior to employment of unilateral sanctions is whether they will be effective, are they part of a coherent strategy to change behavior, will they detract from efforts focused on gaining multilateral support, and are they consistent with international obligations and humanitarian principles.”<sup>14</sup> Further consideration should be given to balancing costs, where the value of the proposed outcome of the sanction is compared to the cost in terms of lost business.<sup>15</sup> History, however, has demonstrated that “the use of unilateral economic sanctions by the United States has failed to change the conduct of the targeted country, or at best, are a contributory but probably not a decisive factor in securing the desired outcome of the given policy.”<sup>16</sup> A study by Ernest Preeg on Unilateral Economic Sanctions and U.S. National Interest found “unilateral sanctions have almost no impact on the economy of the target country as long as there are other nations willing to trade, and that globalization has undermined the effectiveness of unilateral sanctions.”<sup>17</sup>

On the other hand, multilateral sanctions maximize international pressure on an offending state or actor to bring their behavior within acceptable standards of the

community of nations imposing the sanctions. To Eizenstat, “multilateral sanctions demonstrate a unity of purpose and are difficult for the targeted regime to evade or avoid. Contrary to unilateral sanctions, multilateral sanctions minimize the damage to U.S. competitiveness and distribute more equitably the sanctions’ burden across responsible countries.”<sup>18</sup> When crafting multilateral sanctions consideration should be given to minimizing the cost of the sanction to the United States and its allies while extracting maximum leverage and the garnering of broad support.<sup>19</sup> The United Nation’s framework offers legitimacy and a legal basis for the sanction regime. United Nations sanctions are authorized under chapter VII of the UN charter. Article 41 of Chapter VII states: “The Security Council may decide what measures not involving the use of armed force are to be employed to give effect to its decisions, and it may call upon the members of the United Nations to apply such measures. These may include complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communications, and the severance of diplomatic relations.”<sup>20</sup> Approval of sanctions by the Security Council requires a majority vote by its members with no veto from any of the five permanent members of the council (France, China, Russia, United Kingdom, and the United States). On more than 20 occasions since its inception, the UN Security council has imposed sanctions to seek redress from a belligerent.<sup>21</sup> Sanctions are imposed for numerous reasons, and target lack of compliance by the state or actor affected. An example of the successful implementation of multilateral sanctions is the case of South Africa and the ending of apartheid.<sup>22</sup> Most recent sanctions were imposed against Iran, terrorist organizations, and the Democratic Peoples Republic of Korea. However, as with all UN actions, compliance with and or

enforcement present challenges. Currently, the United Nations system lacks the framework or mechanism to effectively administer and monitor sanctions. Further, the ad hoc nature of the process and political divide or geographical circumstances of the targeted country may impact the effectiveness of the sanctions imposed.

Another form of economic sanctions is targeted sanctions. These sanctions are aimed at government officials and their supporters as well as non-state entities, and are designed to have minimal, if any, humanitarian impact.<sup>23</sup> The Watson Institute for International Studies on targeted sanctions described targeted sanctions as “sanctions typically applied either as incentives to change behavior or as preventive measures, as in the case of sanctions against individuals or entities that facilitate terrorist acts. Targeted sanctions may be used to stem the financing of terrorism or to deny safe haven or travel by terrorists.”<sup>24</sup> Targeted sanctions may take a unilateral or multilateral approach. However, as discussed earlier, the multilateral nature of sanctions is the preferred option when imposing any type of sanction. Targeted sanctions range from visa restrictions on particular individuals to arms embargoes on States. The challenge to targeted or smart sanctions is ensuring effectiveness, and some would argue the due process of the individual or organizations targeted for sanctioning. Analysis and consideration of legal “due process” when designing and implementing smart sanctions may be necessary to garner international support. The perception of unfairness in the application of multilateral targeted sanctions may generate reluctance by coalition partners to add names to the lists of individuals and entities targeted for sanctions. A recent analysis completed by the Watson Institute for International Studies on targeted sanctions “found that although legal challenges to targeted UN Security Council have

been raised, none have succeeded.” The study noted that criticisms persist about procedures related to the designation or listing of individuals, operations of committees, and the process for individuals and entities to be removed from the list.<sup>25</sup> It also highlighted that the failure to notify listed individuals and entities, as well as the lack of information regarding the basis for listing existed.<sup>26</sup>

As with multilateral sanctions, when implementing targeted sanctions UN sponsorship offers legitimacy, alleviates perceptions of unfairness and may provide for the protection against legal challenge. Results from the Stockholm Process on the implementation of targeted sanctions found that for “targeted sanctions to have the intended effects and to increase the likelihood of compliance by the targeted actor, a chain of measures, stretching from the Security Council to the immediate surroundings of the targeted actor, and varying depending on the situation, must be in place.”<sup>27</sup> The Stockholm Process was comprised of three working groups whose purpose was to assess the critical elements of the targeted sanctions implementation process. The groups efforts center on “principles of implementation and measures for particular types of sanctions; legal considerations, including the need for a model law for States and the strengthening of state capacity in implementation of sanctions; the accuracy of targeting; measures to counter typical evasion strategies for types of sanctions; and ways for Member States to provide information to the Security Council and the Secretariat.”<sup>28</sup> The study indicates that the principal challenges when implementing targeted sanctions against an actor are, “identification of the actor; determination of which resources should be subject to sanctions; the counter-reactions of the targeted actor; the ability and willingness of third states to make the sanctions effective; and that



the strength and accuracy of the sanction will ultimately determine whether the sanctions regime will meet there intended end-state.”<sup>29</sup>

### Effectiveness of Sanctions

As stated earlier, numerous case studies and scholarly publications exist that assess the effectiveness of sanctions. Difficulty remains however on the ability to credit a given sanctions regime alone as the sole policy action that causes the targeted regime to change its behavior.<sup>30</sup> Gary Hufbauer and Barbara Oegg conclude in their study on economic sanctions, “Similarly, if foreign policy goals are only partially achieved through the imposition of sanctions, the sanctions may be considered a failure.”<sup>31</sup>

When assessing the effectiveness of a sanctions regime the focus of the assessment should be whether or not the sanctions achieved the stated goal, and whether the sanction was effective in interrupting customary economic relations. Practitioners of foreign policy categorize the use of sanctions as an important “middle - of- the - road policy” between diplomatic maneuvers and military force.<sup>32</sup> As a middle of the road policy, determining the effectiveness of sanctions remains difficult. Further, attainment of foreign policy goals when compared to the cost to the sender and the timeliness of the sanction lead to the questioning of the value of sanctions as an effective foreign policy tool. In many cases, sanctions are not the sole policy tool that leads to a change in behavior of the targeted country, however, they serve to demonstrate resolve and send a signal that may deter similar behavior by other countries.

The Hufbauer and Oegg study examined 185 sanctions episodes from 1945 to 1999. They determined that 50% of the cases both unilateral and multilateral prior to

1969 were at least partially effective. However, success declined significantly in the sanctions episodes studied that occurred from 1970 to 1999, which were assessed to be effective in only one-fifth of the cases.<sup>33</sup> “A common explanation for the drop both in the effectiveness of sanctions generally, and the frequency of unilateral sanctions in particular, was globalization.”<sup>34</sup> Also true is the fact that the loss of ideological competition, east vs. west, and the renewed emphasis on national economic interests has also impacted the success of unilateral sanctions. The challenge presented by globalization is that it has “become nearly impossible for the United States, acting alone, to deny a target country access to vital markets and finance.”<sup>35</sup>

In contrast multilateral sanctions, which in most cases are imposed under the auspices of the United Nations, “were only implemented twice prior to 1990 – against Rhodesia and South Africa – compared to 13 times after the end of the Cold War.”<sup>36</sup> In most instances, the applications of these multilateral sanctions targeted nation states or heads of state of rogue nations that oppress their people under the guise of sovereignty and not due to a threat to the national interest of the United States or its allies. “Research done by the IIE suggests that sanctions are more likely to succeed if imposed quickly and decisively, to maximize impact.”<sup>37</sup> Given globalization, and the tendency for countries to focus internally, the ability of the community of nations to quickly establish multilateral sanctions is difficult and directly impacts the effectiveness of the sanction.

As witnessed over the past decade, sanctions are effective when seeking “modest policy goals, while they seldom work as a substitute for military force in achieving major foreign policy ends.”<sup>38</sup> In the case of Iraq’s occupation of Kuwait,

severe, but ultimately ineffective, sanctions preceded the use of force but failed to end the occupation. According to Hufbauer, some argue that sanctions, although no substitute for force, also serve the purpose of communicating and sending a strong signal to an actor that failure to change or conform to international rules could lead to the use of military force.”<sup>39</sup>

As mentioned earlier, sanctions against South Africa represent a success story in the application of a multilateral sanctions regime against a nation state that brought about a significant change in policy – the end of apartheid. This success, however, required broad international support, thirty-two years and the imposition of comprehensive sanctions focused on discouraging bank loans and trade with South Africa. Part of the success can also be attributed to the fact that “South Africa was a semi-democratic country, and many whites were sensitive to increasingly hostile international opinion. In fact, as a general proposition, semi-democratic regimes are vulnerable to public disaffection with economic hardship and the label of international pariah that accompany multilateral sanctions.”<sup>40</sup>

However, in an authoritarian regime, the pressure applied by the international community through sanctions may only serve to galvanize the power of the ruler as demonstrated in the case of Cuba. Despite sanctions, Castro has managed to remain in power over an extended period of time by rallying popular support against the sender, the United States.<sup>41</sup>

As described earlier the success of a sanctions regime is difficult to determine, however, the costs of sanctions are not. The Hufbauer IIE study “empirically measured the impact of economic sanctions on bilateral merchandise trade flows and found that

total U.S. exports to 26 countries subjected to sanctions in 1995 were as much as \$20 billion lower than they would have been in the absence of the sanctions. Assuming these lost sales was not offset by exports to other markets, employment among the affected U.S. firms and communities would have been reduced by about 200,000 jobs.”<sup>42</sup> Richard Farmer, CBO Analyst, in his statement before the House Ways and Means Committee, estimated that “in 1997 the cost of sanctions to the United States in national income was about \$ 1 billion dollars and \$19 billion in merchandize exports each year.”<sup>43</sup>

### Case Studies

There are multiple examples that demonstrate the effectiveness or lack there of when sanctions were employed in pursuit of a national interest. However, the most prominent cases where the United States employed sanctions were against China, Cuba, Haiti, Iran, Iraq, Libya, Pakistan and the former Republic of Yugoslavia.<sup>44</sup>

China presented a unique challenge to the United States when attempting to use the sanctions against a country with which the United States has a broad range of important or even vital interests.<sup>45</sup> In this case, the United States introduced sanctions against China for human rights reasons following the suppression of dissent in Tiananmen Square. Specifically, the United States threatened to withdraw China’s Most Favor Nation (MFN) status for human rights violations. This threat, however, never materialized and failed to achieve the desired end state. Further, this sanction was never imposed due to the interdependency associated with the United States and Chinese economies, and the cost associated with imposing it.

In the case of Cuba, United States unilateral sanctions have been in effect for over thirty-six years.<sup>46</sup> Congress coupled with public opinion played a role when it came

to the implementation of sanctions against Cuba. The United States Congress passed the Helms–Burton Act in 1996, that imposed sanctions, not just on Cuba but also on “foreign countries or firms, and individuals who choose not to comply with U.S. sanctions regime imposed on Cuba.”<sup>47</sup> Richard Haass argues that the Cuba sanctions effort, “highlights one of the basic foreign policy questions of our era, namely, whether economic sanctions and policies of denial are more likely to promote desired political and economic changes in a society than policies of constructive, conditional engagement in which political and economic incentives (including the removal of sanctions) also are used to bring about desired reform.”<sup>48</sup> The end state in this case was to modify the behavior of Fidel Castro and or to eliminate the regime entirely.<sup>49</sup> Needless to say, these unilateral sanctions have failed to achieve their end state.

After Iraq's 1990 invasion and occupation of Kuwait, the United States led an international coalition to remove Iraqi forces from Kuwait. Military action, however, was preceded by a “UN sponsored multilateral sanctions regime intended to coerce Iraq into leaving Kuwait. These sanctions although comprehensive and enforced militarily, proved unable to persuade Saddam Hussein to vacate Kuwait, even when the alternative was war with the United States and a powerful international coalition.”<sup>50</sup> Sanctions against Iraq remained in place after Desert Storm and still failed to lead to the removal or weakening of Saddam Hussein. In 2003, however, Saddam Hussein was removed as a result of Operation Iraqi Freedom. Iraq has established a free duly elected government, and sanctions removal and reintegration of Iraq to the world economy should take place in summer of 2011.

In the case of Libya, sanctions were imposed on a number of occasions in response to unacceptable behavior by the Libyan government, “including support for terrorism, development of chemical weapons, subversion of its neighbors, and strong evidence of Libyan complicity in the destruction of Pan Am Flight 103 over Lockerbie, Scotland, in 1988.”<sup>51</sup> These sanctions, coupled with the removal of Saddam Hussein, caused Libya to not only hand-over the suspects in the Pan Am Flight 103 bombing, but also to the renunciation of all WMD capability by Libya.

The case of Yugoslavia offers insight as to the importance of considering and understanding the potential for unintended consequences of a sanctions regime. In this case, although a broad international coalition supported both military and economic sanctions against the former Yugoslavia, “the limitations of sanctions as a coercive tool, and the unintended consequences of a sanctions regime resulted in an arms embargo that hurt Bosnia far more than either Croatia or Serbia - effects not anticipated and not necessarily desired by the United States when sanctions were imposed.”<sup>52</sup>

### Globalization and Sanctions

As alluded to earlier, globalization has impacted the effectiveness of sanctions and could present challenges to the United States and the community of nations as they strive to preserve peace and prosperity throughout the world. According Donald Boudreaux, former chairman of the Department of Economics at George Mason University, “Globalization can be defined as the process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology.”<sup>53</sup>

Michael D. Intriligator, in his paper on the “Globalization of the World Economy,” noted that globalization has led to “remarkable growth in trade and exchanges; capital

movements; technology transfer; in people moving through international travel and migration; and in international flows of information and ideas. A measure of globalization is the volume of international financial transactions, with some \$1.5 trillion flowing through world currency markets each day.”<sup>54</sup> This movement of capital, growth in trade, and the expansion of economic interdependence has weakened the economic instrument of power as a foreign policy tool, and present unique challenges to the world community.

According to Intriligator, multiple sources continue to contribute to the rapid acceleration with which globalization has evolved. He argues that “reduced trade protections, and a liberal world trading system coupled with changes in institutions, where corporations that had been mainly focused on local markets have extended their range in terms of markets and production facilities to have a national, multinational, or even global reach, have led to the evolution of globalization.”<sup>55</sup> This transformation in the manufacturing process and industrial structure when producing goods and services has led “to increases in the power, profits, and productivity of those firms that can now choose among many nations for their sources of materials, production facilities, and markets.”<sup>56</sup> To the foreign policy practitioner, globalization and this “internationalization of world manufacturing and production of goods and services” further complicates the accurate identification of the target, as highlighted in the Stockholm Process, when imposing sanctions or complying with a sanctions regime. This internationalization of manufacturing further highlights the importance of assessing the second and third order effects a sanctions regime may have, and the need to consider other countries national interest when executing foreign policy or imposing sanctions. Some economists,

however, would argue that “no two countries that are both part of a major global supply chain will ever fight a war against each other as long as they are both part of the same global supply chain (Dell Theory of Conflict Prevention).”<sup>57</sup> Another aspect of globalization that impacts foreign policy and the imposition of sanctions is the growth of foreign direct investment (FDI).<sup>58</sup> These investments contribute to “technology transfer, industrial restructuring, and formation of global enterprises, all of which have major impacts at the national level.”<sup>59</sup>

Globalization also represents significant challenges to the United States and its allies and partners. Globalization could lead to a continued increase in the gap between richer developed nations, and poorer nations. “This substantial inequity in the distribution of the gains from globalization among individuals, organizations, nations, and regions can create destabilizing conditions if not addressed.”<sup>60</sup> This perceived or actual gap in economic distribution amongst nations could represent a significant challenge and threaten stability and peace. A recent example of inequity stemming from lack of economic power, globalization, and the interdependence of world markets, is the 2009 recession, and global economic instability. Many national economies continue to struggle to emerge from the recent recession caused by a financial crisis and a downturn in the world housing markets. This weakening of economic conditions continues to threaten stability, and challenges alliances across the world. In Europe, the threat to the existence of the European Union remains due to skyrocketing debt, and the inability to obtain financing by some of its member countries.

The final challenge to globalization that impacts the ability of a nation state to execute foreign policy, one that is currently playing out in Greece, Ireland, Portugal and



perhaps Spain, “stems from the control of national economies shifting from sovereign governments to other entities, including the most powerful nation states, multinational or global firms, and international organizations.”<sup>61</sup> The result is that some perceive national sovereignty as being undermined by the forces of globalization. “Thus globalization could lead to a belief among national leaders that they are helplessly in the grip of global forces and an attitude of disaffection among the electorate. This sense of helplessness could result in extreme nationalism and xenophobia, along with calls for protectionism and the growth of extremist political movements, ultimately leading to potential conflicts.”<sup>62</sup> This potential extreme nationalism or protectionist posture could further diminish the effectiveness of sanctions as a tool to coerce a non-compliant actor.

Globalization and imposition of sanctions require cooperative efforts, especially among the European Union, the United States, Canada, Japan, Russia, China, India, Brazil, and others.<sup>63</sup> Global cooperation through formal or informal institutions will provide a mechanism to ensure the proper treatment of global challenges, including those stemming from globalization. These same institutions could also be used to exercise pressure from an economic perspective when dealing with belligerent actors.

### Conclusion

In conclusion, the United States will remain a diplomatic and military power that commands influence and exerts leadership throughout the world. That unless vital or survival interests of the United States are threatened, the economic instrument of power coupled with diplomatic maneuvers is the preferred way to achieve a stated end state in support of national strategy. Globalization and the interdependency of world economies will continue and requires that the United States work to strengthen its economic position through innovation, economic diversification, development of alternative energy

sources and debt reduction. This interdependency of world economies will continue to present a unique challenge to the foreign policy practitioner when using sanctions as a tool to signal or coerce a belligerent actor. Sanctions have a greater chance of success when they are timely and employed multilaterally by the United States, its partners and allies under the auspices of the United Nations. Targeted sanctions, when properly imposed, will ensure sanctions impact those intended and not the general population. By contrast, unilateral sanctions are ineffective, and at most are symbolic in nature. These types of sanctions tend to hurt the sender more than the targeted actor, and have been weakened by the globalization. “Hybrid sanctions” – targeted multilateral or targeted unilateral sanctions provide the best method for employment of sanctions, and stand a better chance of achieving the desired end-state, and receiving support and enforcement by partners and allies.

### Recommendations

That prior to the consideration and imposition of economic sanctions, a feasibility, acceptability, and suitability assessment must be completed. This assessment should also assess the risk, and consider second and third order effects that may result from the imposition of sanctions. Recommend that when employing economic sanctions that a “hybrid approach” is used, sanctions should always be targeted and imposed either unilaterally, and or preferably multilaterally under the guise of the United Nations.

### Endnotes

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<sup>19</sup> *Ibid.*

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