



Failure of US sanctions as a strategic deterrent on Pakistan: A critical analysis

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Abstract

Pakistan has always been subjected to unilateral sanctions by the American regime at several aspects in the history of their bilateral ties and American Foreign Policy. Though the American Government have reasons for cutting off economic and military aid to Pakistan as part of their strategic exigencies prevalent at different points in time and therefore not singular, countering Pakistan's nuclear ambitions has not been an easy task and a headache to the American Government. It is widely believed that these sanctions have not been able to deter or prevent Pakistan from conceiving its nuclear proliferation agenda and building on it. The paper gives an overview of major US legal and executive orders imposing sanctions both economically and military on Pakistan since 1965. It explains their immediate and medium-term consequences, and review the effectiveness and scope of sanctions as a strategic deterrent.

Keywords: Deterrence, sanctions, nuclear proliferation, military aid

Introduction

The debate on the rationale for Pakistan's possession of nuclear weapons, the concept of nuclear deterrence and the security of Pakistan has been subjected to mixed reactions. The Pakistani Government has always been given free hand in nuclear programme, built by relentlessly defying international sanctions regimes due to their tense relations with India. Cultivating closer ties with China, Pakistan has suppressed the regional integration efforts made by the US and other regional groupings and challenge growing US influence in South Asia, especially Afghanistan and India. From a geopolitical perspective, none of the above is out of the ordinary. The peculiarity of the situation, however, lies in the fact that Pakistan was once considered the US' "chosen" party in the South Asian context, was an US ally under the South East Asia Treaty Organisation (SEATO) and the Central Treaty Organisation (CENTO), and was later designated as a "major non-NATO ally" by the Bush administration due to the situations in Afghanistan when Taliban was in power. It is therefore important to understand the circumstances why the US imposed economic and military sanctions on Pakistan, starting in 1965.

US economic and military assistance to Pakistan began shortly after the creation of the latter in August 1947. Bilateral relations between the two were further consolidated with the signing of the 1954 Mutual Defense Assistance Agreement that provided US\$2.5 billion and US\$700 million as economic and military aid, respectively, to Pakistan. Furthermore, Pakistan acquired membership of SEATO and the CENTO in the late 1950s, lending credibility to the popular perception at the time that it was the most "allied ally" of the US. For a newly independent, resource-constrained country, accepting economic and military assistance from, and having ideological alignment with the US, seemed logical and advantageous to its strategic vision at the time, the foundation of which was the troubled Indo-Pak relationship. As for the US, Pakistan played the crucial role of a buffer state to guard against

Soviet expansionism and the threat of communism in general in the region.

Though the relations between the United States and Pakistan will mutually be on paper, the relations between the two countries started developing cracks when the then US President John F Kennedy morally supported India against China in 1962 and against Pakistan's action on India in 1965. One of the factors in Pakistan's nuclear policy is that many aspects of this policy are linked with what happens in India. According to a Pakistani analyst, Pakistan does not have a well-trained, adequately equipped and numerically sufficient armed force as compared to India and hence nuclear weapon deterrence play a significant role in its security policy against India and so it is seen as an alternative to conventional weapon security. The decision whether Pakistan should embark on a 'coherent nuclear programme' was discussed for the first time in 1963, though its deterrence value was emphasised by Zulfikar Ali Bhutto publicly for the first time in 1965. The second factor that like India, determined Pakistan in its nuclear policy had the desire to attain self-reliance in defence and the capability to defend itself against external aggression due to the situations during the Cold War. The American governments did not want its defence systems and military equipments to be used against any other countries including India. Another threat that Pakistan had to face was that of Israel. It has been argued that Pakistan's nuclear programme is a matter of pride for the Muslims and it is the Israeli and Christian lobbies that do not want to see a Muslim country possessing nuclear capability.

Around the 1990s, the other reasons for imposing sanctions were Pakistan's nuclear proliferation activities and its growing clandestine support to terror outfits and Islamic fundamentalism. However, the efficacy of the sanctions has been a matter of longstanding debate in diplomatic circles and academia alike. It seems that the utility of sanctions lies in the threat quotient they embody, rather than in the actuality of imposing sanctions on an entity. In Pakistan, as in many other cases witnessed across the globe, the higher

the threat perception of possible economic and military sanctions, the greater the impact of sanctions as a tool of strategic maneuvering.

In the US-Pakistan context, it is important to take stock of their unbalanced relationship. Pakistan, being a country of immense geostrategic significance, was a frontline state during the Cold War, helping the US ward off communist expansionist forces in South Asia. In the post-Cold War era, it remained an important component of America's Afghanistan policy, serving as a buffer state for American coalition forces fighting terrorism in Afghanistan. Interestingly, there is unassailable evidence that Pakistan has on many occasions used American economic and military aid to fund and support the rise of terror groups that target the sponsors themselves, i.e. the US.

With the rise of China in the vicinity and Pakistan's growing partnership with the Asian giant, its dependence on the US for arms and financial aid has reduced considerably. What has not abated, however, is the anti-American sentiment infiltrating all sections of Pakistani society. The US cannot ignore Pakistan altogether, simply because the US needs Pakistan more than Pakistan needs the US. Against this background, it has become imperative for the US to invert the strategic balance with Pakistan in its own favour; sanctions, if used to their optimal potential as a strategic tool, are a way of achieving that objective.

Pak-US Relationship During 9/11 Attacks

It is necessary to know the history of Pakistan and America relations in order to examine the situation after 9/11. When Pakistan came into being in 1947, the country's situation as regarding to economic and defense was very much worse. so Pakistan bent towards USA instead of Soviet Union because Pakistan was against communism. So, she joined the US block in order to fulfill the economic and security requirements, and in this context Pakistan joined the security pact SEATO in September 1954 and as well as CENTO in 1955. USA and Western World also wanted to see the strong Pakistan due to its geo-strategical position.

USA and Western World felt danger of growth communism in South-east Asia and Middle East by Soviet Union and China. Pakistan also had requirement of economic and military support, so she got the membership of SEATO and CENTO. America selected Pakistan in the area due to India's selection of non-alignment. Pak-US relation also gave huge benefits to Pakistan. USA gave 1.2 billion to 1.5 billion US dollars as military support to Pakistan. "While in other form of agriculture commodity, technical assistance economic development grants from 1947 to 1965 was nearly \$ 3 billion dollars".

Assessment

The relationship between the US and Pakistan has been capricious at best, suffused with progressively growing mistrust and a lack of common strategic interests. What began as a strategic and ideological alliance in the nascent stages of the Cold War, with Pakistan joining America's global effort to contain Soviet expansionism, soon transformed into an adversarial relationship that neither party could turn back from. One of the first clear instances of a deteriorating US-Pakistan relationship was the imposition of American sanctions on Pakistan in 1965. What followed, worsened bilateral ties. As shown in the

Table above, the US has on many occasions subjected Pakistan to unilateral sanctions regimes. Though the motivations behind cutting o economic and military aid to Pakistan have been contingent on strategic exigencies prevalent at different points in time and therefore not uniform throughout, a recurring theme is countering Pakistan's nuclear ambitions.

Having said that, it is held that no set of sanctions has been able to deter or prevent Pakistan from conceiving and thereafter building on its proliferation programme. From the first sanctions in 1965 to this day, Pakistan has been able to mitigate the impact of aid cut-offs by diversifying its defence partnerships and seeking assistance from China, or ideological allies in the Middle East. It has also sought the support of international financial institutions to create enrichment facilities and reprocessing units. Besides, the strategy of the US to force compliance on Pakistan by imposing economic and military sanctions also proved to be inadequate, primarily due to evidently perfunctory execution. The dissonance between the tools used, of unilateral sanctions, instead of multilateral and comprehensive aid bans, and the objectives they were meant to achieve but did not, has negatively impacted the reputation of the US as a leading player in global geopolitics. It has also sparked criticism in diplomatic and academic communities.

1. 1965-1998

The execution of the American strategy of cornering Pakistan by imposing economic and military sanctions has proved to be a gross miscalculation. The intent notwithstanding, the US has failed to operationalise the sanctions regime in the context of Pakistan. Time and again, Pakistan has found ways of circumventing regulatory procedures and bans it was subjected to, effectively undermining the potency of the sanctions imposed. Pakistan's response to the first set of American sanctions, as a result of the war with India in 1965, was reflective of its approach to global politics then, and for the years to come. As soon as the US slapped military sanctions on Pakistan, for having used US-sponsored military aid against India in 1965, the latter began to look elsewhere to diversify its defence partnerships. To Pakistan's delight, China emerged as a solid ally. China provided assistance to Pakistan in building three fully-developed infantry divisions, and facilitated the supply of Chinese T-59 tanks to replace the American M-47/M-48 tanks. France and the Soviet Union too, proved helpful as they supplied the Mirage aircraft and 76 US\$30 million in aid to Pakistan, respectively. The imposition of sanctions by the US, and the subsequent decision by Pakistan to diversify strategic partnerships to reduce dependence on American aid, gave it the opportunity to discreetly embark on a nuclear weapons acquisition programme after the Bangladesh War of 1971. The birth of Pakistan's nuclear ambitions was itself a massive blow to the potency of American sanctions and their objectives. Although it was not until May 1998 that Pakistan conducted the first set of nuclear tests, advancement on its nuclear agenda continued in the form of enriched uranium trade with China, and construction of reprocessing units with external assistance.

Moreover, the US itself seems to have done more to damage the efficacy and scope of its sanctions on Pakistan, than

Pakistan did to circumvent the consequences of those sanctions. As a response to the gross human rights violations being committed in East Pakistan in 1971, the US imposed military sanctions. However, it is probable that the US did not want to disturb its precarious ties with Pakistan, as the latter was a potential facilitator in reviving US-China relations, which was considered as vital if further Soviet expansionism was to be halted. Therefore, military sanctions notwithstanding, the US continued to transfer military supplies to Pakistan by illegal means, and facilitated third-party sales of fighter jets to them, with the help of Iran and Jordan. The US publicly declared India as the aggressor, for India was believed to be a Soviet ally, despite its explicitly non-aligned credentials. With the advent of economic and military sanctions based on the Symington Amendment in 1977, the US banned economic assistance to Pakistan on paper, but its State Department continued to provide US\$50 million to Pakistan annually, along with a substantial food aid programme. Soon after the US terminated economic and military assistance to Pakistan on the basis of the Glenn/Symington Amendments to the Foreign Assistance Act in 1979, to penalise Pakistan for pursuing the French reprocessing plant deal, the US administration decided to lift all sanctions to suit immediate American interests. In other words, the beginning of the war in Afghanistan compelled the US to make a strategic U-turn, as Pakistani assistance had become indispensable to them.

Other examples of the US taking seemingly stringent measures to force compliance on Pakistan and soon after backtracking on its own agenda occurred in the 1990s. These include the Department of Commerce allowing licensing of commercial sales to Pakistan in 1990 in complete violation of the Pressler Amendment, the exemption of food exports from the 1998 nuclear sanctions on Pakistan, and establishment of sanction-waiving authority for the President in the form of the Brown, Brownback and Brownback II Amendments at different points in time. These examples also highlight the contradictory nature of American policy objectives vis-à-vis Pakistan, which oscillated between appeasement and punishment simultaneously, at any given point of time.

Saudi Arabia: Filling the void

According to Islamabad, at least 80 madrasas linked to extremist groups receive significant financial support from Saudi Arabia. U.S. government cables published by Wikileaks stated that "Saudi Arabia remains a critical financial support base for al-Qa'ida, the Taliban, LeT, and other terrorist groups." Of course, Saudi Arabia claims it receives permission from Islamabad to fund religious organisations. The impunity granted to foreign donors is incentivized with aid. In 2014, Saudi Arabia loaned Pakistan 1.5 billion dollars to assist with debt repayment and new infrastructure. The result, ironically, is that the Saudi government funds both the construction of Pakistani schools and the extremist groups that will eventually destroy them. The influx of Saudi aid to Pakistan developed in response to U.S. sanctions. Throughout the 1980s, under Zia-ul-Haq's presidency, cordial relations existed between Washington and Islamabad in order to fight the Soviets in Afghanistan and counter their strategic cooperation with India. In 1990, as the Cold War ended, the U.S. warmed up to India, imposing nuclear sanctions on Pakistan. This was a betrayal

by the U.S. that likely remains in the memory of Islamabad's elites. Saudi Arabia intervened and sent two billion dollars of donated oil to Pakistan. Additional sanctions under the Clinton administration in 1998 were a response to then-Prime Minister Nawaz Sharif's nuclear tests in Baluchistan. And just as Washington accused Iran of being a state sponsor of terrorism, it threatened the same against Pakistan.

Saudi Arabia's decision to fill the financial void left by U.S. sanctions can be explained by several factors. First, a special history exists. When the Grand Mosque of Mecca was seized by radicals in 1979, it was the Pakistani military that responded. Second, aid to Pakistan appeases Saudi radicals and ensures extremists remain sympathetic to the House of Saud. Third, it creates a strategic thorn in the side of Iran. Pakistani unrest has led to numerous terrorist attacks against Iran and guarantees that Pakistani Shiites remain under siege from Sunni extremists. Lastly, Nawaz Sharif may owe a personal debt to the Kingdom for brokering his release and offering him asylum, when he was imprisoned by General Musharraf after a successful military coup in 1999.

2. Post-1998

American sanctions failed to prevent Pakistan from building its nuclear programme, the glaring proof of which was the successful execution of multiple nuclear tests by Pakistan in May 1998. A logical progression for American policy should have been a tougher sanctions regime on Pakistan. On the contrary, one month after military coup-related sanctions were imposed on Pakistan in 1999, initially banning the sale of US military equipment and economic aid, the US President exercised waiver authority by invoking the Brownback Amendment, permitting the US Department of Agriculture to continue sale of agricultural commodities to Pakistan. He also allowed US banks to continue to provide loans to Pakistan. Furthermore, under the Foreign Operations, Export Financing and Related Agencies Appropriations Act of 2001, financial assistance to Pakistan to fund basic education programmes was also permitted. Again, the late 1990s marked a phase of Pakistan's growing association with the Taliban regime in Afghanistan. Effectively, even when relations with the US seemed to have been deteriorating, Pakistan enjoyed strategic depth in Afghanistan.

The efficacy and utility of sanctions is optimal when they are issued and enforced multilaterally, and executed with the full force of the sanctioning country behind them, similar to what has been done in North Korea. The imposition of sanctions that are more comprehensive than targeted sanctions may yield better results with regard to forcing compliance on the target country/ entity. Having said that, a particular example of a sanctions regime cannot be employed as a universally applicable template, and may require adjusting based on contextual interests of the sanctioning country, at a given point in time. If executed selectively, that is by way of imposing targeted sanctions on a particular industry or group of people, as they have been in the past in the case of US sanctions on Pakistan, the purpose of imposing them in the first place may get diluted. Targeted sanctions, like freezing of assets, travel restrictions, arms embargoes, and trade related bans, lack the severity of comprehensive sanctions, which prohibit direct or indirect trade in goods, technology, services with,

and cash flows of any kind to the target country. They may be understood as a subset of comprehensive sanctions themselves, because an all encompassing set of sanctions would entail economic, military, developmental and other kinds of sanctions that may be employed against the target country.

Few years back, the incidence of the Trump administration sanctioning three individuals who allegedly had links with Pakistan-based terror outfits like the Lahskar-e-Toiba (LeT), as well as the sanctioning of seven Pakistani companies, suspected of engaging in nuclear trade, again illustrate the futility of targeted sanctions. Though comprehensive sanctions are likely to have a negative humanitarian impact in the long-term, and are presumably more costly, they are a necessary evil meant to halt the strengthening proliferation agenda of a country like Pakistan, which believes that greater nuclearisation is the only way to defend itself against an allegedly aggressive India, and render US assistance dispensable. It has been observed in several cases involving comprehensive sanctions regimes, that when the economic and social impact of sanctions is significant the political dispensation of the target country mends its ways to better align with the directives of the sanctioning country.

On a different note, the humanitarian costs of nuclear warfare, and even those of the fast-growing insurgent activities of terror outfits based in Pakistan, are infinitely more than the speculative impact of imposing comprehensive sanctions on Pakistan. Naturally, the US would benefit from ensuring that Pakistan is not left with any room to manipulate its way out of uncompromising economic and military sanctions, which are fine-tuned to be more comprehensive in scope than targeted sanctions.

Can the United States Change Pakistan's Behavior?

U.S. President Donald Trump's recent decision to freeze some \$2-billion (U.S.) in security assistance to Pakistan as punishment for the country's refusal to crack down on transnational terrorist groups is a step in the right direction. But more steps are needed.

The United States has plenty of incentive to put pressure on Pakistan, a country that has long pretended to be an ally, even as it continues to aid the militant groups fighting and killing U.S. soldiers in neighbouring Afghanistan. In fact, it is partly because of that aid Afghanistan is a failing state, leaving the United States mired in the longest war in its history. More than 16 years after the United States invaded Afghanistan, its capital, Kabul, has come under siege, exemplified by the recent terrorist attack on Kabul's Intercontinental Hotel and the suicide bombing, using an explosives-laden ambulance, in the city centre. In recent years, the United States has launched a major air offensive to halt the rapid advance of the Afghan Taliban. The United States has now carried out more air strikes since last August 2018 than in 2015 and 2016 combined.

Yet neither the air blitz nor the Trump administration's deployment of 3,000 additional U.S. troops can reverse the deteriorating security situation in Afghanistan. To achieve that, Pakistan would have to dismantle the cross-border sanctuaries used by the Taliban and its affiliate, the Haqqani network, as well as their command-and-control operations, which are in Pakistani territory. The problem is that Pakistan's powerful military, whose generals dictate terms to a largely impotent civilian government, seems committed to

protecting, and even nurturing, terrorists on Pakistani soil. Only those militants who threaten Pakistan are targeted by the country's rogue Inter-Services Intelligence agency.

Far from holding Pakistan's generals accountable for the American blood on their hands, the United States has provided them large amounts of funding – so much, in fact, that Pakistan has been one of the United States' largest aid recipients. Even when the United States found Osama bin Laden, after a 10-year hunt, holed up in a compound next to Pakistan's main military academy, it did not meaningfully alter its carrot-only strategy. This has enabled the military to tighten its grip on Pakistan further, frustrating domestic efforts to bring about a genuine democratic transition. Making matters worse, the United States has dissuaded its ally India – a major target of Pakistan-supported terrorists – from imposing any sanctions on the country. Instead, successive U.S. administrations have pressured India to engage diplomatically with Pakistan.

This approach has emboldened Pakistan-based terrorists to carry out cross-border attacks on targets from Mumbai to Kashmir. As for the United States, the White House's new National Security Strategy confirms that the United States "continues to face threats from transnational terrorists and militants operating from within Pakistan." This conclusion echoes then-secretary of state Hillary Clinton's warning in 2009 that Pakistan "poses a mortal threat to the security and safety of our country and the world."

Against this background, the Trump administration's acknowledgment of U.S. policy failure in Pakistan is good news. But history suggests that simply suspending security aid – economic assistance and military training are set to continue – will not be enough to bring about meaningful change in Pakistan.

Another step the United States could take would be to label Pakistan as a state sponsor of terrorism. If the United States prefers not to do so, it should at least strip Pakistan of its status as a major non-North Atlantic Treaty Organization ally, ending its preferential access to U.S. weapons and technologies. Moreover, the United States should impose targeted sanctions, including asset freezes, on senior military officers who maintain particularly close ties to terrorists.

Finally, the United States should take advantage of its enduring position as Pakistan's largest export market to tighten the economic screws on the cash-strapped country. Since 2013, Pakistan has attempted to offset the sharp decline in its foreign-exchange reserves by raising billions of dollars in dollar-denominated debt with 10-year bonds. Pakistan's efforts to stave off default create leverage that the United States should use. Likewise, Pakistan agreed to privatize 68 state-run companies, in exchange for \$6.7-billion in credit from the International Monetary Fund. If the United States extended financial and trade sanctions to multilateral lending, and suspended supplies of military spare parts, it would gain another effective means of bringing Pakistan to heel.

To be sure, Pakistan could respond to such sanctions by blocking America's overland access to Afghanistan, thereby increasing the cost of resupplying U.S. forces by up to 50 per cent. But, as Pakistan learned in 2011-12, such a move would hurt its own economy, especially its military-dominated trucking industry.

Can Pakistan Survive the US Sanctions?

Pakistan-US relations have been transactional and not all-weather. Even a slight swing in relations from either country has been viewed as a breach of faith, to begin another spell of sanctions and crippled diplomatic ties. It has happened so often that now both the countries have earned the reputation of being in a marriage of convenience, where neither of them can afford a divorce. The US is faced with the compulsion to engage with Pakistan due to its geostrategic location in South Asia, and more so for the country's influence in Afghan politics, where the US is fighting the longest war of its history. The Trump administration in its Pakistan policy, announced in August 2017, suspended all security-related assistance to Pakistan on the usual charge that Pakistan had failed to sever ties with the militant groups, leading to the US and NATO's failure to defeat the Taliban. In a recent turn of events, the US has also disengaged from training Pakistan's military officers. While the US has reverted to its usual practice of imposing sanctions on Pakistan rather than engaging in dialogue and understanding its position on terrorism, Pakistan has turned for military assistance to other regional players, now all set to replace the US influence in Asia.

Perhaps the US is not ready to accept that the world has changed. Russia and China are now undeniable powers to reckon with. If not for Russia, the Syrian turmoil triggered because of US-supported terrorists would have thrown the region into the chaos of regime change. With the Road and Belt initiative hinging for its success on the China-Pakistan Economic Corridor (CPEC), China will ensure that Pakistan's security is not compromised due to US disenchantment. Interestingly, however, it is not only Pakistan that has to bear the heat of broken ties with the US. The Trump administration is at loggerheads with almost all its allies, causing faith in the American leadership to plummet. In this backdrop, what options does Pakistan have? Is it a moment of crisis or a moment of self-healing? Should Pakistan indulge in self-pity or move on taking advantage of Asia's rising star?

Pakistan cannot afford any antagonism with the US and neither can any other country in the region. Even though Pakistan has built a military relationship with Russia, the expectation to secure weapons and arms from it is unrealistic. There are many reasons for this. One is Russia's economy. Since the Crimea annexation and Russia's alleged meddling in the US elections, Russia has been in the cross-hairs of sanctions and economic embargos from the US and its western allies, because of which Russian markets tumbled 11 percent on April 6, 2018, alone. The second reason is Pakistan's economy, which is heavily dependent on foreign borrowing to meet its fast deteriorating current account. Pakistan cannot afford to buy weapons and arms in cash and Russia cannot afford to sell arms and weapons to Pakistan on credit. The third reason is India, which buys 60 percent of its military weapons and spare parts from Russia. Russia will only come as close to Pakistan as would not disturb Russia's relations with India.

One area where both the countries will keep having a continuous interaction is terrorism. Many agreements have been signed between the two to jointly combat the threat of Islamic State (IS). As far as China is concerned it would certainly cushion the Pakistan military, but not at the cost of irritating India, whose assistance China needs to balance the

US influence in the South China Sea. Iran and Turkey would weigh all options before committing themselves to Pakistan against the US.

In this scenario, Pakistan has only one option: to strengthen its economic position. It is increasingly important that Pakistan comes out of its debt trap and improves its financial indicators. For this to be achieved there are a number of issues that need immediate attention. One, of course, is to get rid of corruption. Second, which is even more important, is to allow the civilian governments to complete their tenures without forcing them to face the prospect of extra-constitutional interventions.

Pakistan is on the trajectory of improvement and progress with the new government in the saddle. Our military has done a good job in almost eliminating terrorism and now is the time for the civilian governments to prove their worth by introducing institutional reforms and strengthening democracy. The time perhaps has come to shift the paradigm from security to the economy.

Economic Sanctions – A Tool of the U.S. Foreign Policy?

Economic sanctions are increasingly being used to promote the full range of American foreign policy objectives. Yet all too often sanctions turn out to be little more than expressions of U.S. preferences that hurt American economic interests without changing the target's behavior for the better. As a rule, sanctions need to be less unilateral and more focused on the problem at hand. Congress and the executive branch need to institute far more rigorous oversight of sanctions, both prior to adopting them and regularly thereafter, to ensure that the expected benefits outweigh likely costs and that sanctions accomplish more than alternative foreign policy tools.

Sanctions, as a US foreign policy tool, were initiated by President Woodrow Wilson in 1919, when he said: "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 could resist." Since then, the US has been imposing sanctions with regularity. Nowadays, sanctions take the form of arms embargoes, foreign assistance reductions and cut-offs, export and import limitations, asset freezes, tariff increases, revocation of Most Favored Nation (MFN) trade status, negative votes in international financial institutions, withdrawal of diplomatic relations, visa denials, cancellation of air links, and prohibitions on credit, financing, and investment. Economic restrictions may include denial of access to the US financial system, freezing assets under US jurisdiction, or the prohibition of certain exports.

In 1995, sanctions hit US exports to 26 target countries to the tune of US\$15 billion to US\$ 19 billion. 200,000 or more jobs were lost in the highly lucrative US export sector. US sanctions led to increasing tensions between the US and its allies or trading partners around the world, Elliot observes. US firms could be regarded as "unreliable suppliers." Sanctioned countries might avoid buying from US exporters even when sanctions were not in place, thus giving firms in other countries a competitive advantage in those markets. Richard N. Haass writing in brookings.edu in 1998, pointed out that the US resorted to "secondary sanctions" to compel others to join its sanctions effort. But

this could cause “serious harm” to a variety of US foreign policy interests, he points out.

The widespread use of economic sanctions constitutes one of the paradoxes of contemporary American foreign policy. Sanctions are frequently criticized, even derided. At the same time, economic sanctions are fast becoming the policy tool of choice for the United States in the post-cold war world. The United States now maintains economic sanctions against dozens of countries; indeed, sanctions are so popular that they are being introduced by many states and municipalities. What is critical, moreover, is not just the frequency with which economic sanctions are used but their growing importance for U.S. foreign policy.

Sanctions—defined as mostly economic but also political and military penalties introduced to alter political and/or military behavior—are employed by the United States to discourage the proliferation of weapons of mass destruction and ballistic missiles, bolster human rights, end terrorism, thwart drug trafficking, discourage armed aggression, promote market access, protect the environment, and replace governments.

To accomplish foreign policy ends, sanctions take the form of arms embargoes, foreign assistance reductions and cut-offs, export and import limitations, asset freezes, tariff increases, revocation of most favored nation (MFN) trade status, negative votes in international financial institutions, withdrawal of diplomatic relations, visa denials, cancellation of air links, and prohibitions on credit, financing, and investment.

What explains this popularity? Sanctions can offer what appears to be a proportional response to a challenge in which the interests at stake are less than vital. In addition, sanctions are a way to signal official displeasure with a certain behavior. They can serve the purpose of reinforcing a commitment to a behavioral norm, such as respect for human rights or opposition to proliferation. American reluctance to use military force is another motivation. Sanctions provide a visible and less expensive alternative to military intervention and to doing nothing. The greater reach of media is still another explanation. The CNN effect can increase the visibility of problems in another country and stimulate a desire on the part of Americans to respond. The increased strength of single issue constituencies in American politics is also a factor. Small, organized, focused groups—often acting through Congress—can have an impact far beyond their actual strength, especially when no equally focused countervailing force exists.

A number of conclusions can be drawn from American use of economic sanctions for foreign policy purposes:

- Sanctions alone are unlikely to achieve desired results if the aims are large or time is short. Sanctions—even when comprehensive and enjoying almost universal international backing for nearly six months—failed to get Saddam Hussein to withdraw from Kuwait. In the end, it took Operation Desert Storm. Other sanctions have also fallen short. The Iranian regime continues to support terrorism, oppose the Middle East peace process, and press ahead with its nuclear weapons program. Fidel Castro is still in place atop a largely authoritarian political and economic system. India and Pakistan were not deterred from testing nuclear weapons by the threat of draconian penalties. Libya has refused to produce the two individuals accused of the

destruction of Pan Am 103. Sanctions could not persuade Haiti’s junta to honor the results of an election. Nor could they dissuade Serbia and others to call off their military aggression. And China continues to export sensitive technologies to selected countries and remains a society where human rights are violated.

- Unilateral sanctions are rarely effective. In a global economy, unilateral sanctions tend to impose greater costs on American firms than on the target, which can usually find substitute sources of supply and financing.
- Secondary sanctions can make matters worse. Trying to compel others to join a sanctions effort by threatening secondary sanctions against third parties unwilling to sanction the target can cause serious harm to a variety of U.S. foreign policy interests. This is what happened when sanctions were introduced against overseas firms who violated the terms of U.S. legislation affecting Cuba, Iran, and Libya. This threat may have had some deterrent effect on the willingness of certain individuals to enter into proscribed business activities, but at the price of increasing anti-American sentiment, stimulating challenges within the World Trade Organization, and drawing attention away from the provocative behavior of the target governments.

More generally, sanctions can have the perverse effect of bolstering authoritarian, statist societies. By creating scarcity, they enable governments to better control distribution of goods. The danger is both moral, in that innocents are affected, as well as practical, in that sanctions that harm the population at large can bring about undesired effects that include bolstering the regime, triggering large scale emigration, and retarding the emergence of a middle class and civil society. Smart or designer sanctions are at best a partial solution. Gathering the necessary knowledge about assets, and then moving quickly enough to freeze them, can often prove impossible.

- *Sanctions can be expensive for American business, farmers, and workers.* There is a tendency to overlook or underestimate the direct cost of sanctions, perhaps because their costs do not show up in U.S. government budget tables. Sanctions do, however, affect the economy by reducing revenues of U.S. companies and individuals. Moreover, even this cost is difficult to measure because it needs to reflect not simply lost sales but also forfeited opportunities. Sanctions cost U.S. companies billions of dollars a year in lost sales and returns on investment—and cost many thousands of workers their jobs.
- *Sanctions fatigue tends to settle in over time and international compliance tends to diminish.* Inevitably, the issue that led to sanctions being introduced loses its emotional impact. Concerns over the humanitarian impact of sanctions also weaken resolve. At the same time, the target country has time to adjust. Working around sanctions, import substitution, and any improvement of living standards due to adaptation all make sanctions bearable. All of these factors have eroded the impact of sanctions against Iraq, Libya, and Cuba.

Military sanctions against Pakistan increased its reliance on the nuclear weapons option and affected the reliability of the US as an ally. Former US Ambassador to Sri Lanka and a

seasoned US State Department, Robert Blake, said in Colombo a few years ago that the US lost touch with a whole generation of Pakistani military officers because of military sanctions. Pakistan has now gone over to the Chinese side.

Conclusion

Although financial aid cut-offs by the US have been damaging to Pakistan's economic calculations to an extent, they have failed to deter the Pakistani government from its commitment to nuclearisation. So far, the US has mostly refrained from holding Pakistan accountable for the ways in which American aid to them was utilised. Indeed, the US ought to make Pakistan accountable for the economic aid and military assistance being provided to it. The US must ensure that Pakistan does not use foreign aid to support terrorist groups as proxy forces against India, by configuring a coherent regulation in the relevant foreign aid legislation to that effect. American aid to Pakistan must play the role of an incentive, to ensure greater civilian control in the latter. It is the prerogative of the US to deliver aid only on substantial guarantee that it will be employed to promote economic development and urbanisation in Pakistan.

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