

Economic Sanctions and Nuclear Non-proliferation: A Comparative Study of North Korea and

Iran

by

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I hereby declare that I am the sole author of this Thesis. This is a true copy of the Thesis, including any required final revisions, as accepted by my examiners.

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Abstract

The history of using economic sanctions to curb nuclear proliferation has had mixed results. The goal of this research project is to determine why economic sanctions are more effective in some cases than they are in others. The two case studies, North Korea and Iran, are examples of the failures and successes of economic sanctions, respectively. In order to understand it is the disparity in outcomes of economic sanctions a framework of four factors was designed. This framework consists of: limited political contestation within the sanctioned country, economic versus security vulnerability, and the international cooperation mounted against the target state. In Iran's case, the limited contestation under an authoritarian regime, the desperate need to get oil and gas exports on the international market, relatively low security concerns, and a coordinated international campaign of economic sanctions explain why the sanctions have thus far prevented Iran from developing nuclear weapons. In North Korea's case, the absolute nature of its authoritarianism, the insular command economy, high security concerns, and countries like China and South Korea shielding North Korea from economic sanctions are the reasons why economic sanctions have fallen short in stopping North Korea from acquiring nuclear weapons. Future studies of other cases can test this framework of analysis.

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Economic Sanctions and Nuclear Non-Proliferation: A Comparative Study of North Korea and Iran.

Introduction:

Nuclear proliferation is a security concern that affects the international community. A myriad of methods have been developed over the years to stop the spread of these weapons of mass destruction, but one of the most notable methods are economic sanctions. Economic sanctions are “barriers or restrictions imposed on one state or international actor by another state or group of states for the purpose of obtaining political or economic concessions.”¹ The use of economic sanctions, not just in curbing nuclear proliferation, has been on the rise since the end of the Cold War. The effectiveness for economic sanctions in stopping nuclear proliferation has been mixed. The central goal of this research project is to explore why economic sanctions are effective at stopping certain states' nuclear programs and ineffective at stopping others.

In order to achieve this goal this research project will be taking a comparative approach using the most similar system model. The two states to be examined are Iran and North Korea. While no two states are the same there are enough similarities between the two countries to warrant an analysis. Some common features include economic sanctions on their respective nuclear program, their antagonistic attitude towards the United States, the authoritarian regimes in these countries, and the strive of both states to survive in an anarchical international system. Iran is an example of a successful use of economic sanctions and North Korea will be an example of the failure of economic sanctions. There are many similarities between North Korea

¹ Dunne, Tim, Milja Kurki, and Steve Smith. *International Relations Theories: Discipline and Diversity*. New York, NY: Oxford University Press, 2016, 353

and Iran, but it is in their differences that will provide the most insight. I argue that four variables have been crucial in determining the effectiveness of economic sanctions: economic vulnerability, security vulnerability, the unity of the international community in the enforcement of these economic sanctions, and the levels of political contestation in the targeted country. The sanctions against Iran have been relatively successful because the limited political contestation in that country despite its authoritarian regime, Iran's high economic vulnerability and low security concerns, and the largely unified nature of the international community regarding the sanctions. In contrast, the conditions have been the opposite in North Korea, which have made economic sanctions unsuccessful in stopping the country from developing its nuclear weapons.

Chapter 1: Theoretical framework

For the purposes of this research project Neorealism will be used to better understand the interactions between states within the international community. While this theory will be useful in some respects the theory leaves a lot to be desired with regards to domestic issues. Neorealism lacks focus on domestic issues such as declining economic prosperity and its effect on government policy as well as the inner workings of governments. Both of those factors are important in explaining the effectiveness of economic sanctions and are not adequately explored within the neorealist framework. To better explain the impact, or lack thereof, of economic sanctions on Iran's and North Korea's nuclear programs this project will be examining the respective state's domestic concerns. This is a departure from traditional neorealism, but without the domestic analysis this research project would be inadequate in explaining the differences in the phenomenon. While neorealism is a useful theory for the purposes of this research project its limitations must be acknowledged.

Neorealism, a continuation of classical realism, is an approach to international relations that hypothesize “the structure or architecture of the international system that forces states to pursue power.”² To a neorealist, the international system is inherently anarchical. That is to say “there is no centralized authority or ultimate arbiter that stands above states”³ in the international system. Due to the vacuum of authority “great powers are the main actors in world politics, and

² Ibid, 78

³ Ibid, 79

they operate in an anarchic system.”⁴ No state is immune to “the condition of anarchy, insecurity does not discriminate against ‘bad’ states, as though moral failures are sufficient to make their security concerns invalid.”⁵

From the understanding that the international system is inherently anarchistic John J Mearsheimer articulates three assumptions can be made about the nature of states. The first of these assumptions is that “the main goal of states is survival.”⁶ In an anarchical system states often compete against one another for limited resources and greater influence in the international system. Due to the harsh nature of the international system states are largely responsible for their own survival. The next assumption that “states are rational actors, which is to say they are capable of coming up with sound strategies that maximize their prospects for survival.”⁷ The actions of a state are believed to be in that state's best interest (e.g. pursuing a nuclear program in the face of international pressure). The last assumption is that states “can never be certain about the intentions of other states.”⁸ Due to the antagonistic nature of the international system, and the competition of limited resources and influence, states are often pitted against one another. States ought to be wary of deception to avoid being taken advantage of.

Survival, the main goal of every states, is achieved through acquiring power. Power is understood to be “relationships in which someone gets someone else to do something that he or

⁴ Ibid

⁵ Ibid

⁶ Ibid

⁷ Ibid

⁸ Ibid

she would not otherwise do.”⁹ For the purposes of this paper this definition will be applied to states. How powerful a state is is “based on the material capabilities that a state controls.”¹⁰ Material capabilities are tangible objects usually associated with military might. Tanks, submarines, and nuclear weapons all fall into the category of material capabilities. If States A were to possess more tanks relative to State B then to a neorealist State A would be considered more powerful. Power is not purely relegated to a state’s military power.

Neorealists acknowledge the importance of a state’s economic capabilities when factoring in the power a state possess. A strong economy is important for states, because economic growth allows governments “to devote greater resources to national defence [expenditures]”¹¹ and therefore become more secure in the process. Economics are not only important for providing resources for a state’s military capabilities but can be used in the “pursuit of wider strategic goals.”¹² One form economic power takes shape is through economic sanctions. Economic sanctions are either positive, meaning states offer “actual or promised rewards” to make the targeted state change its policy goals, or negative which typically refers to “actual or threatened punishments.”¹³ Economic instruments can be useful even if there is little economic interaction between the two states because “of the signal they send about the intentions of the state imposing the sanctions.”¹⁴ For example, the United States and North Korea do not have a robust economic relationship.

⁹ Baldwin, David A. *Economic Statecraft*. Princeton, NJ: Princeton Univ. Pr., 1985, 20

¹⁰ Dunne, Tim, Milja Kurki, and Steve Smith. *International Relations Theories: Discipline and Diversity*. New York, NY: Oxford University Press, 2016, 78

¹¹ Mastanduno, Michael. “Economics and Security in Statecraft and Scholarship.” *International Organization* 52, no. 4 (1998): 825–54. <https://doi.org/10.1162/002081898550761>, 24

¹² *Ibid*

¹³ Baldwin, David A. *Economic Statecraft*. Princeton, NJ: Princeton Univ. Pr., 1985

¹⁴ *Ibid*, 24

However, the United States has tried to use extensive economic sanctions regime targeting North Korea over its nuclear program.

While economics is often neglected when compared to military capabilities neorealists understand the importance of economics “in the realm of national security.”¹⁵ The “weaponization of finance”¹⁶ has made states use economic sanctions to coerce other states “when military means are ineffective because they are capable of producing greater global instability.”¹⁷ For example, when Russia annexed Crimea in 2013 – 2014 strict economic sanctions were imposed on Russia instead of military action due to the potential of a greater conflict breaking out. Economic sanctions are often not the first policy option associated with neorealism, but prominent neorealists such as Stephen Walt acknowledge the “potential effectiveness of economic sanctions as a diplomatic instrument.”¹⁸

Following this framework, we make the following hypothesis about Iran and North Korea and their responses to economic sanctions. The first is that their responses are made rationally and are optimized to ensure the survival of the state. For Iran, pursuing a nuclear program at this time and under these circumstances is not in their best interest because economic sanctions do more harm to the state than the benefits nuclear weapons would provide. In North Korea’s case the

¹⁵ Miller, Nicholas L. “The Secret Success of Nonproliferation Sanctions.” *International Organization* 68, no. 4 (2014): 913–44. <https://doi.org/10.1017/s0020818314000216>, 938

¹⁶ Kat, Mazhid. “A Conceptual Analysis of Realism in International Political Economy.” E, April 18, 2015. <https://www.e-ir.info/2015/04/16/a-conceptual-analysis-of-realism-in-international-political-economy/>.

¹⁷ Ibid

¹⁸ Walt, Stephen M. “The Renaissance of Security Studies.” *International Studies Quarterly* 35, no. 2 (1991): 211. <https://doi.org/10.2307/2600471>, 227

opposite is true. In addition, there is a level of mistrust between North Korea and Iran with the larger international community. This mistrust partially explains the reluctance of both North Korea and Iran in fully cooperating with the international community. Once again, the lack of focus on domestic issues limits the scope of this theory. In order to have a better understanding of the research topic this project will be examining both international and domestic issues.

Chapter 2: Understanding Economic Sanctions and their Application

The focus of this thesis is to see why economic sanctions are effective in some cases and why they are not effective in others. To better explore this question, we must first understand economic sanctions, specifically, what economic sanctions are, how they are typically implemented, and when countries use economic sanctions rather than other policy tools such as military actions. The definition of economic sanctions for this project is a form of “economic pressure against other states for a variety of political purposes. There are two main categories of international economic weapons -trade restrictions and financial restrictions- each of which can be employed with varying intensity and scope.¹⁹ This definition needs to be unpacked. Economic pressure refers to increased economic hardship such as contracting GDP or even a recession. Within the context of economic sanctions, the sending country will harm the targeted state’s economy in order to achieve political goals. To harm the targeted economy restrictions must be implemented. Trade restrictions restrict trade with the targeted state. These forms of sanctions can be potentially devastating to a state that relies heavy on exports. For example, Iran is highly dependent on exporting oil making the state a prime target from trade restrictions. Financial restrictions are more nuanced than trade restriction. Financial restrictions aim to restrict the target states access to international financial institutions, banks, and banking messaging systems like the Society for Worldwide Interbank Financial Telecommunications (SWIFT) system. These features are not exclusive to economic sanctions, as this definition could be applied to trade wars and economic warfare as well, but economic sanctions are designed to persuade states that “they would

¹⁹ Pape, R. A. (1997). Why Economic Sanctions Do Not Work. *International Security*, 22(2), 90-136. doi:10.1162/isec.22.2.90, 93

be better off economically if they conceded to the coercer's demands, and made their decision based on whether they consider their political objectives to be worth the economic costs.”²⁰ Unlike trade wars, which try to gain economic concessions, and economic warfare, which tries to hinder the material capabilities of a target state, economic sanctions seek political concessions²¹ from targeted country.

Broad versus Targeted Sanctions

Using this definition of economic sanctions, we can explore the different types of sanctions, and the positives and negatives to these different approaches. The two most common forms of economic sanctions are broad and smart. Broad sanctions, as the name suggests, are applied broadly to the target’s economy. These sanctions are designed to restrict the economic output of the target country in a way that affects the citizens at the bottom of society to the elites at the top and everyone in between. The logic behind this type of sanction is that restricting the material conditions of a population will create discontent among the population and will force the target government into concessions.

Broad sanctions and their use have become a controversial policy option due to the various unintentional consequences. For starters, broad sanctions can backfire on the countries imposing the sanctions and can actually boost the popularity of the government in the target country. This phenomenon is called the “rally around the flag effect.”²² When targeted with sanctions the target

²⁰ Ibid, 95

²¹ Ibid, 93

²² Bergeijk, P. A. (2015). SANCTIONS AGAINST IRAN – A PRELIMINARY ECONOMIC ASSESSMENT. *European Union Institute for Security Studies (EUISS)*. doi:<https://www.jstor.org/stable/resrep07074.9>, 53

country is provided with a scapegoat for the country's worsening economic condition. It is easier for the target country to shift the conversation from government mismanagement and general incompetence to a nationalistic rallying point to defend the country from hostile foreigners. While this effect is more effective in some countries than others it is nevertheless a problem with broad sanctions.

Another concern with broad sanctions are the humanitarian costs they impose on the population of the target country. When broad sanctions are imposed, they “disproportionately hurt politically weak groups and benefited target regime sympathizers.”²³ While people in high positions within the targeted regime can acquire material goods through other means, such as smuggling, the same cannot be said for those without means and therefore are at the whims of the government. Women in targeted countries often suffer “disproportionately”²⁴ due to the fact women “are often the most powerless political actors in the target country.”²⁵ Abrupt restrictions of goods, such as food and medicine, can lead to humanitarian crises. For example, “in Iraq, [it is] estimated that the sanctions caused a minimum of 100,000 and up to 227,000 excess deaths among young children from August 1991 to March 1998.”²⁶

²³ Pape, R. A. (1997). Why Economic Sanctions Do Not Work. *International Security*, 22(2), 90-136. doi:10.1162/isec.22.2.90, 99

²⁴ Ibid

²⁵ Ibid

²⁶ Ibid, 97

Due to unfortunate consequences of broad sanctions on the mostly innocent population of the target country there have been developments in economic sanctions to more accurately target the regime while leaving the local population largely unaffected. This approach to economic sanctions is known as smart sanctions. Smart sanctions are sanctions designed to target “material incentives of powerful supporters ... these supporters will eventually pressure the targeted government into making concessions.”²⁷ Instead of targeting the average farmer or factory worker of the target country these smart sanctions target individuals who have close ties to the target regime. In addition, these sanctions restrict “corporations or holding companies associated with the target government's leadership.”²⁸ Instead of targeting necessities like the target country’s source of medicine and food smart sanctions tend to include “financial sanctions, asset freezes, travel bans, restrictions on luxury goods, and arms embargoes.”²⁹

While smart sanctions are certainly more humane than broad sanctions, they have their own set of problems that make them ineffective. A major criticism of smart sanctions is that they can be applied too narrowly, and therefore “are less promising in coercing the target government into making concessions”³⁰ than broad sanctions. The logic follows that by targeting innocent bystanders within the target country this will cause discontent among the general population and therefore “will be more likely to produce target concession.”³¹ While broad sanctions can trigger a rallying behind the flag effect, as previously mentioned, they can also galvanize a population

²⁷ Ibid

²⁸ Ibid, 100

²⁹ Ibid

³⁰ Ibid, 102

³¹ Ibid

into demanding political change. A recent example of this is economic sanctions and the impact on the middle class of Iran being “one of the important motivating forces behind the 2013 democratic change of leadership that brought Rouhani to power.”³² In short, neither broad nor smart sanctions are effective enough to use exclusively, but a combination of these sanctions can yield results in achieving political change.

With a better understanding of what economic sanctions are and how they are supposed to work the logical question to follow is are economic sanctions successful in generating change? To answer this question, we ought to define success. For the purpose of this project, the success of economic sanctions will be judged by this criteria: “(1) the target state conceded to a significant part of the coercer's demands; (2) economic sanctions were threatened or actually applied before the target changed its behavior; and (3) no more credible explanation exists for the target's change of behavior.”³³

The Use of Economic Sanctions by the United States

This paper will be focusing on the United States and their use of economic sanctions against North Korea and Iran. There are various reasons to choose the United States over other political units like China, Russia, and the European Union. The first is that the United States

³² Bergeijk, P. A. (2015). SANCTIONS AGAINST IRAN – A PRELIMINARY ECONOMIC ASSESSMENT. *European Union Institute for Security Studies (EUISS)*. doi:<https://www.jstor.org/stable/resrep07074.9>, 54

³³ Pape, R. A. (1997). Why Economic Sanctions Do Not Work. *International Security*, 22(2), 90-136. doi:10.1162/isec.22.2.90, 97

“took the lead in creating institutions”³⁴ such as the International Monetary Fund, World Trade Organization, and the World Bank. These organizations are imperative in the functioning of the global economy and the United States has tremendous clout within these institutions. In addition, the United States has the largest economy in the world. This allows the United States to generate significant economic pressure on targeted states. Lastly, and arguably the most important for this research project is the relationship the United States has with Iran and North Korea. The literature suggests that economic sanctions are effective with “states that are dependent on the United States economically and/or militarily.”³⁵ Most notable examples of this relationship with the United States are South Korea and Taiwan. The fact that the United States is adversarial to both Iran and North Korea provides this research project with a unique approach to economic sanctions and non-proliferation.

The start of US sanctions began when the United States passed the Trading with the Enemy Act of 1917 (TWEA) which allowed “exceptionally broad presidential power to regulate international trade and finance, and to freeze foreign-owned assets of all kinds. Excepted were commerce and assets wholly within the United States.”³⁶ While a powerful piece of legislation the TWEA was hardly utilized and economic sanctions were not a popular policy tool for most of

³⁴ Mastanduno, Michael. “Economics and Security in Statecraft and Scholarship.” *International Organization* 52, no. 4 (1998): 825–54. <https://doi.org/10.1162/002081898550761>, 832

³⁵ Miller, Nicholas L. “The Secret Success of Nonproliferation Sanctions.” *International Organization* 68, no. 4 (2014): 913–44. <https://doi.org/10.1017/s0020818314000216>, 938

³⁶ Hufbauer, G. (1998). *Economic Sanctions*. Cambridge University Press on Behalf of the American Society of International Law, 92, 332-335. doi:<https://www.jstor.org/stable/25659235>, 332

the 20th century. This would change after the end of the Cold War. With the collapse of the Soviet Union the United States found itself alone at the top of the food chain. With communism suffering a serious setback capitalism would soon take control of the global economy with the United States in a commanding position. Due to these circumstances, and the “U.S. control of the dollar and the dominance of the United States in the global financial system has combined with the growth of these flows to increase U.S. coercive economic leverage as the global economy has integrated.”³⁷ In other words, without the Soviet Union providing an alternative economic system the United States gained the capacity to exploit other countries' economies with greater results. The United States would embrace the use of sanctions in the following years after the Cold War. One statistic shows that “about 75 percent of the world’s nearly 200 countries were subject to U.S. sanctions as of 2000 ... the U.S. had placed 68 percent of the world population under economic sanctions.”³⁸

The use of economic sanctions has become an effective policy tool for the United States and their foreign policy goals. The United States cannot become too embroiled in conflicts for the risk of becoming “overextended.”³⁹ It is true the United States boasts the world’s strongest military, but “adversaries are closing the technological gap with the United States and geopolitical constraints on U.S. power are intensifying as the threat to the rules-based liberal international order

³⁷ Ibid

³⁸ Kim, S. H., & Martin-Hermosillo, M. (2013). The Effectiveness of Economic Sanctions Against a Nuclear North Korea. *North Korean Review*, 9(2), 99-110. doi:10.3172/nkr.9.2.99, 101

³⁹ Binnendijk, H. (2016). U.S. Constraints Limit Assertiveness. In *Friends, Foes, and Future Directions*. RAND Corporation. doi:<https://www.jstor.org/stable/10.7249/j.ctt19jcj3h.10>, 53

grows.”⁴⁰ Within the 30 years since the end of the Cold War the United States has not slipped per se, but countries like China, India, and Russia are catching up to the United States and therefore the US cannot use big-stick diplomacy to solve all its problems.

Another factor playing into the United States use of economic sanctions is that the United States is a democracy, and unlike the countries the US targets is accountable to the public. The general populace of the United States has become “exhausted”⁴¹ of war because of the US involvement in Iraq and Afghanistan. One poll suggests that “52 percent of the American people now believe that the United States has “mostly failed” in Iraq, while 49 percent believe the war in Afghanistan was a mistake (up from 10 percent at the outset of the war).”⁴² The American public has become wary of wars due to the entanglement the United States finds itself in the Middle East. The cost of these wars has shifted the American public to “concentrate primarily on domestic problems at the expense of international affairs.”⁴³ With saying that the American public “expresses concern at signs of U.S. weakness”⁴⁴ and wishes for the United States to play an active role in international affairs. This paradox of interests suggests why economic sanctions have become more popular amongst various US administrations (both Republican and Democrat). Economic sanctions provide an administration with a “do something”⁴⁵ policy option.

⁴⁰ Ibid, 52

⁴¹ Ibid, 47

⁴² Ibid

⁴³ Ibid, 58

⁴⁴ Ibid

⁴⁵ Ibid

Chapter 3: Methodology

For the purpose of this research project, I will be employing a Most Similar System Design (MSSD) to analyse and compare the different outcome between Iran's and North Korea's nuclear programs. The MSSD, originally developed in "J.S Mill's (1872) classic studies *Systems of Logic*,"⁴⁶ is designed to compare two or more states that are "as similar as possible, except with regard to the phenomenon."⁴⁷ For the purposes of this research project, the countries being examined are North Korea and Iran. The phenomenon that differs between the two is each state's respective nuclear program. A MSSD approach, while useful, does come with limitations. Since there are a relatively small number of states to examine "it will never be possible to keep constant all potential explanatory factors."⁴⁸ Each state is a unique political unit. Even states that are similar, Australia and New Zealand for instance, have a number of differences that make an exact comparison difficult. Since no two states are identical no analysis can account for "all possible explanations of a phenomenon."⁴⁹ To circumvent this, when using a MSSD approach the case studies ought to be "as similar as possible on the background variables."⁵⁰ Similar factors like authoritarian regime, similar size of population, or if the state was a former colony are all examples of similar background variables.

⁴⁶ Seawright, Jason, and John Gerring. "Case Selection Techniques in Case Study Research." *Political Research Quarterly* 61, no. 2 (2008): 294–308. <https://doi.org/10.1177/1065912907313077>, 298

⁴⁷ Anckar, Carsten. "On the Applicability of the Most Similar Systems Design and the Most Different Systems Design in Comparative Research." *International Journal of Social Research Methodology* 11, no. 5 (2008): 389–401. <https://doi.org/10.1080/13645570701401552>, 389

⁴⁸ *Ibid*, 390

⁴⁹ *Ibid*, 393

⁵⁰ *Ibid*, 399

Despite this short coming, MSSD is still an effective tool of analysis when comparing two or more states. MSSD's strength comes from its ability to "eliminate a large number of potentially relevant explanatory variables from further analysis."⁵¹ Variables to explain why a phenomenon occurs are potentially endless, but not all variables are equally relevant to the research question. One way to find relevant variables is to find ones in which the cases "differ."⁵² For example, if the phenomenon being studied is why states use capital punishment and State A was a former colony while State B was not a former colony and does not use capital punishment the variable of colonial history can potentially explain the phenomenon of capital punishment.

Justification for the cases

For this research project the two countries that will be examined are North Korea and Iran. The reader might ask what explains this case selection? It is true that both North Korea and Iran are unique countries. However, there are enough similarities between the two to justify a joint analysis. On a structural level both Iran and North Korea are within an anarchical international system. Extrapolating from this we know both Iran and North Korea will act in their self-interest and ensure their respective survival. Both regimes are authoritarian. The most obvious similarity between the two countries are their controversial nuclear programs. Both Iran and North Korea are seen to violate UN Security Council Resolution 1540 which declared "[Weapons of Mass Destruction] proliferation to be a threat to peace under Chapter 7 of the United Nations Charter, and obliged all member countries to create a legal framework for the

⁵¹ Ibid, 400

⁵² Ibid, 395

prosecution of proliferation activities.”⁵³ As a result of their respective nuclear programs, the United States (with international cooperation) have applied a litany of economic sanctions on both countries.

The similarities between the two countries run deeper than having economic sanctions imposed on them. Both countries since their modern inceptions (Iran post-Islamic revolution and North Korea since the beginning of the Korean War) have been adversaries of the United States. Both countries are mentioned by former President Bush in his famous ‘Axis of Evil’ speech for in part their nuclear ambitions. The nuclear programs of North Korea and Iran also share technical similarities, because of their “shared reliance on AQ Khan’s proliferation and nuclear supply networks.”⁵⁴ Other similarities include “antecedents of sponsoring terrorism, and anti-Americanism deeply ensconced in both regimes, there is no doubt that Iran and North Korea are similar in terms of the potential threat that they pose to the international community.”⁵⁵ Lastly, these two countries have not been subject to regime change. Iraq, the other member of the aforementioned Axis of Evil, and Libya were also sanctioned over fears of their nuclear programs (whether these fears were justified is another subject for another time), but were overthrown by a coalition led by the United States. These similarities help isolate the impact, or lack thereof, of economic sanctions on North Korea and Iran’s respective nuclear programs.

⁵³ Go , Myong-Hyun. “North Korea as Iran's Counterfactual: a Comparison of Iran and North Korea Sanctions .” *Asan Institute for Policy Studies* , 2013. <https://www.jstor.org/stable/resrep08132>, 2

⁵⁴ *Ibid*, 8

⁵⁵ *Ibid*

Despite similarities between the two countries, the impact of economic sanctions on the two countries' nuclear program have yielded different results. North Korea has managed to shrug off the plethora of economic sanctions and managed to successfully detonate their first nuclear device for the world to see on October 9th, 2006. In spite of years of increasingly harsher economic sanctions and increased isolation within the international community on July 4th, 2017 North Korea successfully tested an Intercontinental Ballistic Missile (ICBM) capable of reaching the continental United States of America. Iran, and their nuclear program, has taken a different route than North Korea's. During the same time Iran has been under a similar level of economic pressure from the United States and Allies (in the form of economic sanctions) as North Korea. Despite this, Iran does not possess any nuclear weapons. In fact, Iran (along with China, France, Russia, the United Kingdom, Germany, and the United States) signed The Joint Comprehensive Plan of Action (JCPOA), also known as the Iran Nuclear Deal, which came into effect on January 16th, 2016. The JCPOA, in short, was an international agreement that "in return for accepting the restrictions on [Iran's nuclear] programs, Iran was freed from sanctions imposed by the international community and individual states related to its non-compliance with its obligations under the Nonproliferation Treaty (NPT)." ⁵⁶ In fact, it was the United States, not Iran, that decided to leave the deal on May 8th, 2018. It would be two more years after the US withdrawal that Iran officially withdrew from the JCPOA. From these two cases, we can see how these adversaries of the United States have reacted differently to economic sanctions. With a more in-depth comparison

⁵⁶ Garwin , Richard L. "The Iran Deal in Six Minutes ." *American Philosophical Society* 160, no. 2 (2016): 201–4. <https://www.jstor.org/stable/26159213>, 201

of these two states we can see why economic sanctions have appeared to work for reaching a deal with Iran and why international efforts for North Korea have not been as fruitful.

Variables

To understand why sanctions have had such a different effect on each state's nuclear program four variables will be explored. These four variables are economic vulnerability, security vulnerability, international cooperation, and political contestation. Each variable will be explored further in a comparison and contrast for North Korea and Iran. However, it is important to define the variables and how they relate back to central research question.

Economic vulnerability relates to the economic concerns of the targeted state. Since economic sanctions by definition are economic tools of foreign policy it would be fruitful to measure the economic impact the imposed sanctions have on the targeted country. If a state was dependent on exports and the global economy for economic growth, then sanctions will be a potent policy tool. To contrast this, if a state does not have the same economic concerns then the effectiveness of economic sanctions might be diminished.

Security vulnerability is the foil to economic vulnerability. Similar to economic vulnerability, security vulnerability looks at the targeted states' security capabilities and concerns. If a state is relatively stronger than its neighbors, then that state will have relatively low security vulnerability. This variable is an important contrast to economic vulnerability because the pursuit of nuclear weapons is a security issue, but the study is focusing on economic sanctions, and economic tool, and their effectiveness at preventing nuclear proliferation.

Therefore, if a state were to have low security vulnerability while having a high economic vulnerability then economic sanctions ought to be more effective than if the inverse (high security vulnerability and low economic vulnerability) were true. Due to the relationship of these two variables they will be examined within the same chapter.

International cooperation affects how effective the international community implements economic sanctions on the targeted state. Despite the United States tremendous economic power economic sanctions are an international effort. If one or more states were to implement sanctions in an inadequate way, or not at all, then this will seriously hamper the effectiveness of the sanctions. If other states employ an uneven application of these economic sanctions than the effectiveness of said economic sanctions will be diminished. One country in particular, China, and its commitment to implementation of economic sanctions can determine the effectiveness of the economic sanctions.

Political contestation refers to the level of participation the average citizen can enact within the targeted regime. Despite the fact that both regimes of Iran and North Korea are authoritarian this is still an important variable to explore. Economic sanctions, specifically broad sanctions, are designed to target ordinary citizens to galvanize citizens to pressure the regime into making concessions. However, this cannot be achieved if the regime places heavy restrictions and punishments on its citizens. Therefore, determining the level of political contestation will help determine the effectiveness of economic sanctions.

While all four of these variables are important to understanding the difference in the effectiveness of economic sanctions on the nuclear programs of Iran and North Korea, economic and security vulnerabilities are slightly more valuable to the overall study than international cooperation and political contestation. Since this project is looking into how effective economic sanctions are at curbing nuclear proliferation examining the economic and security vulnerabilities of the targeted states is important. Without economic vulnerability it would be hard to understand the economic impact these sanctions have on the economy of the targeted states. In addition, without evaluating the security concerns of the targeted state it would be difficult to understand why the targeted state would be pursuing a nuclear program in the face of economic pressure. An important relationship of this study is understanding the relationship between economic and security vulnerabilities to the respective state.

However, that is not to say the other two variables, international cooperation and political contestation, are not important to this research project. Political contestation is important to the overall study because it provides a catalyst between economic sanctions and tangible change in the targeted regime. Without examining the population of the targeted state and their potential impact then it would be impossible to understand how economic sanctions impact (or lack impact) on the respective state and their nuclear program. This is one reason why neorealism falls short as a theoretical framework for this research project.

Lastly, comes international cooperation. This variable is interesting because the lack of international cooperation can appear to be sufficient enough to negate the effectiveness of economic sanctions. Especially if a state with tremendous economic clout, such as China, does

not implement these economic sanctions. However, whether that statement is true or not depends on the context of the relationship between the two states. If China were to ignore the economic sanctions imposed on North Korea the economic sanctions regime would likely fail. However, if China were to ignore the economic sanctions regime against Iran the sanctions would be impacted but would not be as detrimental to the overall sanction effort. This is because China trades a lot more with North Korea than Iran. The other side of the same coin is that North Korea depends heavily on China whereas Iran has a plethora of states to conduct trade with (most notably members of the European Union). An uneven application of the economic sanctions by a number of states will hinder the overall effort. The absence of one key state and its effect on the overall economic sanctions regime is more context dependent. The impact the absence will have on the sanctions will be determined by how much the targeted state depends on the abstaining state. Economic sanctions are more effective when there is a coherent approach from each state, but the absence of one state does not necessarily invalidate the entire effort.

To better understand the difference of outcomes, it would be beneficial to examine the history of both programs. This next section will examine the progress, set-backs, economic sanctions, and diplomatic developments in the history of Iran and North Korea's nuclear programs. By doing this (hopefully) certain patterns and tactics will appear which can be further explored to understand the success with Iran and the failures of North Korea. By extension, learning what did and did not work with these two cases can (hopefully) shed light to make economic sanctions more effective in curbing nuclear proliferation.

Chapter 4: The History of North Korea's Nuclear Program:

Cold War and the Clinton Administration

North Korea's desire for nuclear weapons started "long before the end of the Cold War."

⁵⁷ In the early years of the Cold War the Soviet Union provided North Korea assistance in starting their nuclear program. In the 1950s the Soviet Union would train "North Korean scientists and engineers, enabling the DPRK to acquire the "basic knowledge" to initiate a nuclear program."⁵⁸ In 1959 the Soviet Union would sign a nuclear cooperation agreement with North Korea and would provide "the North with basic nuclear training and technology."⁵⁹ However, North Korea's aspirations were met with challenges as the Soviet Union and China (North Korea's closest allies) were unresponsive to North Korea's wishes. In 1985 North Korea, joining South Korea and others, signed the Nonproliferation Treaty, but did not "complete a safeguards agreement with the International Atomic Energy Agency (IAEA)."⁶⁰ 1989 marked the end of the Cold War and thus ended the Soviet "economic support of North Korea."⁶¹ In the same year North Korea began "new construction at a nuclear complex near the North Korean town of Yong Byon."⁶²

After the Cold War the newly abandoned North Korea would find itself in a US dominated world. Initially tensions between North Korea and the United States appeared to be easing with

⁵⁷ Ahn, M. S. (2011). What Is the Root Cause of the North Korean Nuclear Program? *Asian Affairs: An American Review*, 38(4), 175-187. doi:10.1080/00927678.2011.604287, 177

⁵⁸ American Security Project. (2012). North Korea's Nuclear Program. *American Security Project*. doi:<https://www.jstor.org/stable/resrep06028>, 2

⁵⁹ Ibid

⁶⁰ [Fact Sheets & Briefs. \(n.d.\). Retrieved August 26, 2020, from https://www.armscontrol.org/factsheets/dprkchron](https://www.armscontrol.org/factsheets/dprkchron)

⁶¹ Kim, Suk H., and Semoon Chang. *Economic Sanctions against a Nuclear North Korea: an Analysis of United States and United Nations Actions since 1950*. Jefferson, NC: McFarland, 2007, 42

⁶² Ibid

the 1992 with the “South-North Joint Declaration on the Denuclearization of the Korean Peninsula.”⁶³ The agreement between the two Koreas entailed that neither country would be allowed to “test, manufacture, produce, receive, possess, store, deploy or use nuclear weapons or to possess nuclear reprocessing and uranium enrichment facilities. They also agree to mutual inspections for verification.”⁶⁴

In the following years tensions would rise as North Korea “announced its intentions to withdraw from the NPT.”⁶⁵ This announcement of North Korea withdrawing from the NPT would trigger the First Nuclear Crisis. Due to “intense negotiations”⁶⁶ between the United States and North Korea, the Clinton administration and the Kim Regime would come to the Agreed Framework in October 1994. For “freezing Pyongyang's nuclear activities under International Atomic Energy Agency supervision, in return for supplies of heavy fuel oil and promises to build proliferation-resistant nuclear reactor.”⁶⁷ With the exception of the United States agreeing to “the first significant easing of economic sanctions against North Korea since the end of the Korean War”⁶⁸ in June of 2000 there was little change in North Korea’s nuclear program during the last years of the Clinton administration.

⁶³ Ibid

⁶⁴ Ibid

⁶⁵ Ibid

⁶⁶ Ibid

⁶⁷ Graham, E. (2018). Trump, Kim, and the North Korean nuclear missile melodrama. Lowy Institute for International Policy. doi:<https://www.jstor.org/stable/resrep19794>, 10

⁶⁸ Kim, Suk H., and Semoon Chang. *Economic Sanctions against a Nuclear North Korea: an Analysis of United States and United Nations Actions since 1950*. Jefferson, NC: McFarland, 2007, 45

The Bush Administration

The fact that there were no major advancements in North Korea's nuclear problem during the Clinton administration is something to note. However, no tangible agreements or reductions in North Korea's nuclear program would cause problems for the more assertive Bush administration. This administration would use economic sanctions more often than the previous administration. For example, the Bush administration would "impose sanctions on North Korea's Changgwang Sinyong Corporation for violation of the Iran Nonproliferation Act of 2000"⁶⁹ multiple times for largely symbolic"⁷⁰ purposes. In 2003 North Korea announced that they would withdraw "from the nuclear Nonproliferation Treaty (NPT)."⁷¹ This announcement would start the talks between the Koreans, Russia, China, Japan, and the United States. These talks would be known as the Six-Party Talks.

The Six-Party talks would start off floundering due to the United States' insistence that North Korea "dismantle its nuclear programs"⁷² as a prerequisite for economic aid. The talks appeared to be failing until the United States threatened to impose sanctions on the Banco Delta Asia. The United States Treasury threatened to use Section 311, the Treasury's ability to "designate a financial institution or jurisdiction as being of 'primary money laundering concern,'" ⁷³ to target the Macau based Banco Delta Asia bank. The Banco Delta Asia was believed to be

⁶⁹ Ibid, 46

⁷⁰ Ibid

⁷¹ [Fact Sheets & Briefs. \(n.d.\). Retrieved August 26, 2020, from https://www.armscontrol.org/factsheets/dprkchron](https://www.armscontrol.org/factsheets/dprkchron)

⁷² Ibid

⁷³ Carter, B. E., & Farha, R. M. (2013). Overview and Operation of the Evolving U.S. Financial Sanctions, Including the Example of Iran. *Proceedings of the ASIL Annual Meeting*, 107, 315-322. doi:10.5305/procanmeetasil.107.0315, 319

“associated with missile proliferation, unrecorded gold sales, and allegedly Kim Jong-il’s political slush fund.”⁷⁴ The threat of the US Treasury taking action against Banco Delta Asia led to prominent clients like “Japan’s Bank of Tokyo, and Mitsubishi and Mizuho Corporation Bank”⁷⁵ and the only South Korean Bank involved, “The Korea exchange Bank,”⁷⁶ to cease transactions with the bank. This “run on the bank”⁷⁷ caused Banco Delta Asia to lose “34% of deposits within days.”⁷⁸ As a result, the Macau government froze “accounts that Treasury had identified as suspect”⁷⁹ namely those associated with the North Korean regime. This was a big financial blow to the North Korean regime and Kim Jong-II personal finances.

On October 9th 2006, North Korea conducted an “underground nuclear test near the village of Punggye.”⁸⁰ In response the UNSC would pass Resolution 1718 which entailed inspection of all North Korean cargo and more importantly all members “freeze immediately the funds, other financial assets and economic resources which are on their territories”⁸¹ The UNSC resolution and Banco Delta Asia incident would make North Korea return to the stalled six-party talks.”⁸² However, once again these talks would falter due to a “disagreement”⁸³ between the United States

⁷⁴ Noland, M. (2009). The (Non-) Impact of UN Sanctions on North Korea. *Asia Policy*, 7(1), 61-88.

doi:10.1353/asp.2009.0047, 76

⁷⁵ Kim, Suk H., and Semoon Chang. *Economic Sanctions against a Nuclear North Korea: an Analysis of United States and United Nations Actions since 1950*. Jefferson, NC: McFarland, 2007, 52

⁷⁶ Ibid

⁷⁷ Carter, B. E., & Farha, R. M. (2013). Overview and Operation of the Evolving U.S. Financial Sanctions, Including the Example of Iran. *Proceedings of the ASIL Annual Meeting*, 107, 315-322.

doi:10.5305/procanmeetasil.107.0315, 320

⁷⁸ Ibid

⁷⁹ Ibid

⁸⁰ [Fact Sheets & Briefs. \(n.d.\). Retrieved August 26, 2020, from https://www.armscontrol.org/factsheets/dprkchron](https://www.armscontrol.org/factsheets/dprkchron)

⁸¹ Kim, Suk H., and Semoon Chang. *Economic Sanctions against a Nuclear North Korea: an Analysis of United States and United Nations Actions since 1950*. Jefferson, NC: McFarland, 2007, 54

⁸² Ibid, 54

⁸³ [Fact Sheets & Briefs. \(n.d.\). Retrieved August 26, 2020, from https://www.armscontrol.org/factsheets/dprkchron](https://www.armscontrol.org/factsheets/dprkchron)

and North Korea over “funds frozen by the United States in Banco Delta Asia.”⁸⁴ Ultimately denuclearization would gain little traction during the Bush administration due to mistrust between North Korea and the United States. North Korea would not denuclearize without significant easing of economic sanctions. The United States was not willing to comply with North Korea’s demands. Matters were only made worse when North Korea successfully tested a nuclear device. From that point on, denuclearization became harder to achieve.

The Obama administration

The Obama administration would see a continuation of the deterioration of talks between North Korea and the United States. Early in the Obama administration North Korea announced that not only would North Korea withdraw from the Six-Party talks, but also “will no longer be bound”⁸⁵ to any previous agreements. North Korea would continue to develop their nuclear and missile technology despite mounting economic pressure from the UNSC. Efforts to bring North Korea back to talks would ultimately be unsuccessful and by 2016 North Korea claimed to have developed and “detonated a hydrogen bomb.”⁸⁶

The Trump Administration

During the Trump administration tensions between North Korea and the United States would reach uncomfortable heights with the US president threatening North Korea with “fire and

⁸⁴ Ibid

⁸⁵ Ibid

⁸⁶ Ibid

fury”⁸⁷ if North Korea launched an attack against the United States. Rhetoric from both sides became increasingly hostile as North Korea developed an intercontinental ballistic missile with the “range of about 10,400km.”⁸⁸ With this range North Korea could strike “Los Angeles, Denver and Chicago.”⁸⁹ The United Nations Security Council (UNSC), with the United States taking the charge, would pass harsh sanctions on the North Korean regime. Under Resolution 2397 the UNSC would impose “additional sanctions on North Korea, including cutting refined petroleum imports by nearly 90 percent, limiting crude oil exports to 4 million barrels and mandating the expulsion of North Korean workers from other countries in two years or less.”⁹⁰

In a surprising turn of events, tensions between North Korean leader Kim Jong-Un and US president Donald Trump would ease significantly. The decrease in tensions would lead to a historic meeting of Kim Jong-Un and Donald Trump in Singapore⁹¹ in June of 2018. Another meeting with the two leaders would take place in February of 2019, but both meetings would produce “insufficient progress”⁹² in denuclearizing North Korea. The major stumbling block in negotiations was an old one which was North Korea's desire for “sanctions to be lifted "in their entirety" in exchange for partial denuclearization.”⁹³ Despite good intentions, the Trump administration's approach would prove to be as unsuccessful as the previous administrations’ attempts.

⁸⁷ Ibid

⁸⁸ Ibid

⁸⁹ Ibid

⁹⁰ Ibid

⁹¹ Ibid

⁹² Ibid

⁹³ Ibid

Analysis:

As it stands today, economic sanctions, and the promise of lifting said economic sanctions, have proven to be ineffective motivating forces for North Korea to denuclearize. Despite decades of economic sanctions and diplomacy the international community has not been able to get North Korea to denuclearize. In fact, in the face of international isolation and crippling economic sanctions North Korea has not only been able to develop a nuclear program, but expand upon it to the point of targeting the mainland United States. While advancements of North Korea's missile and nuclear technology was more prominent during times of tension North Korea would often use times of relatively low tensions to test technology often catching South Korea and the United States by surprise.

A major stumbling block between North Korea and the United States is the issue of trust. Without nuclear weapons North Korea would feel defenseless against the much stronger militaries of South Korea and the United States. Without a method of deterrence North Korea would have to rely on the word of the United States not to take military action. However, the Kim regime remembers vividly Gaddafi's denuclearization and the US led coalition to depose the Gaddafi regime that took place shortly after the denuclearization. Therefore, for North Korea to begin denuclearization the United States must lift significant economic sanctions. The condition in order for the US to ease economic sanctions is North Korea must begin denuclearization. These tensions have been exacerbated over the years due to continued missile tests from the North and continued military drills conducted by the US and South Korea. On the surface the Trump administration appeared to have shaken up the dynamic between the North and the US by at first ratcheting

“sanctions to an unparalleled degree”⁹⁴ plus, the fiery rhetoric pushing tensions to uncomfortable heights. Then in a surprising move, Donald Trump met with Kim Jong-Un becoming the first sitting US president to meet with the leader of North Korea. While historic, these summits produced little “tangible outcomes.”⁹⁵ One could argue these summits have only benefitted North Korea as meeting with a sitting US president can be viewed “as a means of strengthening Kim’s domestic and international position, particularly in respect of its chronic legitimacy deficit in the inter-Korean comparison.”⁹⁶ North Korea continues to conduct tests as economic sanctions remain in place.

While it is unlikely the United States and the international community will simply give up on denuclearizing North Korea it is equally unlikely North Korea will simply give up their nuclear weapons in return for modest economic relief. Economic sanctions have been somewhat effective in bringing North Korea to the table, as seen in 1994 with the Light Water Reactors and the Banco Delta Asia incident, but they have not stopped North Korea from continuing to develop and expand their nuclear arsenal. Despite crippling economic pressure North Korea has detonated hydrogen weapons and developed ICBM technologies. When new sanctions were imposed North Korea would simply respond with a new test whether it be a nuclear test or a missile test (with potential to carry a nuclear device). Without a significant change in policy, military action, or regime change

⁹⁴ Graham, E. (2018). Trump, Kim, and the North Korean nuclear missile melodrama. *Lowy Institute for International Policy*. doi:<https://www.jstor.org/stable/resrep19794>, 15

⁹⁵ Ibid, 1

⁹⁶ Ibid

the United States “will need to learn to live with Pyongyang as a de facto nuclear power, at least in regional terms.”⁹⁷

⁹⁷ Ibid, 19

Chapter 5: The History of Iran’s Nuclear Program:

Pre-Islamic revolution 1950s – 1979

The start of Iran’s nuclear program began in the 1950s with the help of the United States. The Shah of Iran “received technical assistance under the U.S. Atoms for Peace program.”⁹⁸ Under this agreement, with help from the United States, Iran received “a nuclear research reactor in Tehran and power plants.”⁹⁹ As the name of the program suggests, the nuclear technology provided to Iran was for civilian purposes. In 1968 Iran, along with 50 other countries, signed the Nuclear Non-Proliferation Treaty “agreeing to never become a nuclear-weapon state.”¹⁰⁰ In 1973 the Shah expanded Iran’s nuclear program by creating the Atomic Energy Organization of Iran (AEOI). The AEOI was tasked with the installation of “3,000 MWE of nuclear power in Iran by the end of the century.”¹⁰¹ The Shah would also make deals with countries like France, Namibia, and South Africa to expand their nuclear capabilities.¹⁰² By the time the Iranian Revolution occurred Iran had “developed an impressive baseline capability in nuclear technologies”¹⁰³

⁹⁸ [Iran. \(n.d.\). Retrieved August 26, 2020, from https://www.nti.org/learn/countries/iran/nuclear/](https://www.nti.org/learn/countries/iran/nuclear/)

⁹⁹ [Sinha, S., & Beachy, S. \(2013, March 21\). Timeline on Iran's Nuclear Program. Retrieved August 26, 2020, from https://www.nytimes.com/interactive/2014/11/20/world/middleeast/iran-nuclear-timeline.html](https://www.nytimes.com/interactive/2014/11/20/world/middleeast/iran-nuclear-timeline.html)

¹⁰⁰ Ibid

¹⁰¹ [Iran. \(n.d.\). Retrieved August 26, 2020, from https://www.nti.org/learn/countries/iran/nuclear/](https://www.nti.org/learn/countries/iran/nuclear/)

¹⁰² Ibid

¹⁰³ Ibid

Post Islamic Revolution – 2002

In the turbulence of the revolution “much of Iran’s nuclear talent fled the country in the wake of the Revolution.”¹⁰⁴ On a systemic level, the Ayatollah Ruhollah Khomeini held a general “opposition to nuclear technology”¹⁰⁵ which led to the near “[disintegration]”¹⁰⁶ of the Iranian nuclear program. The renewed interest in their nuclear program was sparked by the Iran-Iraq war (1980-1988). Fears of Saddam Hussein “pursuing a nuclear program in Iraq”¹⁰⁷ spurred Iran to restart their nuclear program in 1984. The United States, taking notice of Iran’s nuclear build up, grew suspicious of Iran and the true intentions of the program. The United States used their international clout to convince “potential suppliers to limit nuclear cooperation with Iran.”¹⁰⁸ These efforts saw moderate success as China “did not ... supply Iran with the research reactor (which would have been suitable for plutonium production.)”¹⁰⁹ The United States also prevented the following countries from cooperating with Iran: “Argentina, India, Spain, Germany and France”¹¹⁰ Further steps were taken against Iran when the United States imposed sanctions on “foreign companies with investments in Iran.”¹¹¹

In 2002 “the existence of undeclared nuclear facilities in Iran, including Natanz Enrichment Complex, the address of the Kalaye Electric Company, a heavy water production plant under

¹⁰⁴ Ibid

¹⁰⁵ Ibid

¹⁰⁶ Ibid

¹⁰⁷ [Sinha, S., & Beachy, S. \(2013, March 21\). Timeline on Iran's Nuclear Program. Retrieved August 26, 2020, from https://www.nytimes.com/interactive/2014/11/20/world/middleeast/iran-nuclear-timeline.html](https://www.nytimes.com/interactive/2014/11/20/world/middleeast/iran-nuclear-timeline.html)

¹⁰⁸ Ibid

¹⁰⁹ Ibid

¹¹⁰ ibid

¹¹¹ Ibid

construction at Arak, and the names of various individuals and front companies involved with the nuclear program.”¹¹² With this information released the United States accused Iran of secretly in “pursuit of weapons of mass destruction.”¹¹³ As the information was leaked, and the United States prepared to invade Iraq, Iran sought to ease tensions and agreed to an “inspections by the IAEA (International Atomic Energy Agency).”¹¹⁴

The Invasion of Iraq – End of the Bush Presidency

Following the invasion of Iraq, Iran suspended their nuclear program.¹¹⁵ Iran even allowed the IAEA to inspect nuclear facilities and to “determine the history of Iran's nuclear program.”¹¹⁶ The move was welcomed by the international community and there were two inspections that took place in September and October of 2003. The inspections revealed “Iran's new declarations contradicted the Agency's previous information about its nuclear program.”¹¹⁷ These inspections caused greater scrutiny of Iran’s nuclear program and in order to “avoid referral to the UN Security Council”¹¹⁸ Iran entered talks with Britain, France and Germany. Iran agreed to continue the temporary suspension of enrichment and conversion activities, including the manufacture, installation, testing, and operation of centrifuges, and committed to working with the EU-3 to find a mutually beneficial long-term diplomatic solution.”¹¹⁹ In return Iran would avoid the UN

¹¹² [Iran. \(n.d.\). Retrieved August 26, 2020, from https://www.nti.org/learn/countries/iran/nuclear/](https://www.nti.org/learn/countries/iran/nuclear/)

¹¹³ [Sinha, S., & Beachy, S. \(2013, March 21\). Timeline on Iran's Nuclear Program. Retrieved August 26, 2020, from https://www.nytimes.com/interactive/2014/11/20/world/middleeast/iran-nuclear-timeline.html](https://www.nytimes.com/interactive/2014/11/20/world/middleeast/iran-nuclear-timeline.html)

¹¹⁴ Ibid

¹¹⁵ Ibid

¹¹⁶ [Iran. \(n.d.\). Retrieved August 26, 2020, from https://www.nti.org/learn/countries/iran/nuclear/](https://www.nti.org/learn/countries/iran/nuclear/)

¹¹⁷ Ibid

¹¹⁸ Ibid

¹¹⁹ Ibid

Security Council and economic sanctions. The United States would take a more aggressive stance towards Iran. George W. Bush signed Executive Order 13382 “blocking the financial assets of individuals and entities supporting WMD proliferation. Four Iranian entities were designated as agents of proliferation concern, including the Atomic Energy Organization of Iran and the Aerospace Industries Organization.”¹²⁰

The relationship between the international community and Iran over the Iranian nuclear program would take a turn for the worse as Mahmoud Ahmadinejad was elected President of Iran in August of 2005. Despite pressure from the UN Security Council Ahmadinejad was in favour of further “development of Iran’s nuclear program.”¹²¹ The following year Iran would act more defiant with regards to their nuclear program which caused “negotiations with European and American officials [to] collapsed.”¹²² There would be little change in Iran's nuclear situation due to attitudes between Iran and the United States remaining consistently belligerent during the remaining years of the Bush presidency.

The Obama Administration

The Obama administration would take a less abrasive approach in dealing with Iran. Efforts to restart talks failed to get off the ground in December 2010, due to Iran’s insistence of “lifting of all economic sanctions as a precondition for substantive discussions on its nuclear program.”¹²³

¹²⁰ Ibid

¹²¹ Sinha, S., & Beachy, S. (2013, March 21). Timeline on Iran's Nuclear Program. Retrieved August 26, 2020, from <https://www.nytimes.com/interactive/2014/11/20/world/middleeast/iran-nuclear-timeline.html>

¹²² Ibid

¹²³ Iran. (n.d.). Retrieved August 26, 2020, from <https://www.nti.org/learn/countries/iran/nuclear/>

This precondition would be a factor into future talks falling apart. In 2011 the IAEA released a document that detailed many factors of Iran’s nuclear program. The most damning of the information released was the "possible military dimensions" to Iran's nuclear program.”¹²⁴ Shortly after the release of this document the United States and United Kingdom spearheaded a new round of sanctions against Iran. These sanctions were designed to “cut Iran off from the international financial system, announcing coordinated sanctions aimed at its central bank and commercial banks.”¹²⁵ In addition, the United States took unilateral action and imposed “sanctions on companies involved in Iran’s nuclear industry, as well as on its petrochemical and oil industries.”

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In July of 2012 the European Union implemented sanctions targeting Iran’s oil and natural gas industries, the lifeline of Iran’s economy. These sanctions “severely [restricted] Iran's ability to sell its most important export.”¹²⁷ In addition to Iran's oil and gas sectors, the United States imposed sanctions on Iran's "shipping trade, intensifying existing sanctions intended to choke off the revenue that Iran reaps from its two largest export industries.”¹²⁸ These sanctions were effective in disrupting Iran’s economy. In January 2013 “Iran’s oil minister, Rostam Qasemi, acknowledged for the first time that petroleum exports and sales had fallen by at least 40 percent in the previous year, costing the country \$4 billion to \$8 billion each month.”¹²⁹ In addition, the

¹²⁴ Ibid

¹²⁵ Sinha, S., & Beachy, S. (2013, March 21). Timeline on Iran's Nuclear Program. Retrieved August 26, 2020, from <https://www.nytimes.com/interactive/2014/11/20/world/middleeast/iran-nuclear-timeline.html>

¹²⁶ Ibid

¹²⁷ Ibid

¹²⁸ Ibid

¹²⁹ Ibid

Rial (the currency of Iran) plunged “40 percent.”¹³⁰ The rapid inflation of the Rial created fears among citizens and government officials that the currency would be rendered “worthless.”¹³¹

Economic sanctions continued to harm Iran’s economy. By April of 2013 “prices of staples are set to increase by as much as 60 percent because of the currency change.”¹³² The United States kept the momentum going by implementing harsher economic sanctions. The United States introduced legislation that would “deny the Iran government access to an estimated \$100 billion worth of its own money parked in overseas banks.”¹³³ This did little to help Iran’s financial stability. As of May 2013, the IAEA reports that Iran’s nuclear program “has made significant progress across the board in its nuclear program.”¹³⁴

Hassan Rouhani to the Joint Plan of Comprehensive Action

A turning point with Iran’s nuclear program comes with Hassan Rouhani’s accession to President of Iran in August of 2013. Rouhani, a moderate in Iranian politics, would opt for a “conciliatory approach to the world”¹³⁵ over Iran’s nuclear program. Talks between the United States and Iran over the nuclear program were restarted with a “new impetus.”¹³⁶ Iran would go

¹³⁰ Ibid

¹³¹ Ibid

¹³² Ibid

¹³³ Ibid

¹³⁴ Ibid

¹³⁵ Ibid

¹³⁶ [Iran. \(n.d.\). Retrieved August 26, 2020, from https://www.nti.org/learn/countries/iran/nuclear/](https://www.nti.org/learn/countries/iran/nuclear/)

on to slow down “its accumulation of enriched uranium”¹³⁷ as a show of good faith as well as other actions to improve relations with the United States and the international community.

In November of the same year the IAEA announced that Iran had “put the brakes on their nuclear expansion.”¹³⁸ On November 24th, the United states, and five other countries, announce an agreement with Iran to “temporarily freeze Iran’s nuclear program and lay the foundation for a more sweeping agreement.”¹³⁹ This agreement would see Iran halt their nuclear program for six months. In the six-month period, Iran and the P5 + 1 (the five permanent members of the United Nations Security Council and Germany) would “pursue a more comprehensive accord”¹⁴⁰ to ensure a peaceful resolution to Iran’s nuclear program.

The Joint Comprehensive Plan of Action

After grueling negotiations, Iran and the P5 + 1 came to an agreement known as the Joint Comprehensive Plan of Action (JCPOA), or more commonly known as the Iran Nuclear Deal. In short, the JCPOA is an agreement with Iran stating that “in return for accepting the restrictions on its programs, Iran was freed from sanctions imposed by the international community and individual states related to its non-compliance with its obligations under the Nonproliferation Treaty (NPT).”¹⁴¹ The significance of the JCPOA is how innovative the agreement is in the field

¹³⁷ Sinha, S., & Beachy, S. (2013, March 21). Timeline on Iran's Nuclear Program. Retrieved August 26, 2020, from <https://www.nytimes.com/interactive/2014/11/20/world/middleeast/iran-nuclear-timeline.html>

¹³⁸ Ibid

¹³⁹ Ibid

¹⁴⁰ Ibid

¹⁴¹ Garwin, R. L. (2016). The Iran Deal in Six Minutes. *Proceedings of the American Philosophical Society*, 160(2), 201-204. doi:<https://www.jstor.org/stable/26159213>, 201

of non-proliferation. The JCPOA “for the first time, explicitly bans nuclear weapons R&D, rather than only their manufacture.”¹⁴²

The deal was a landmark in not only Iranian-US relations, but also in the field of non-proliferation. However, as Mohammad Javad Zarif, Iran’s foreign minister, stated “we do not have a perfect deal.”¹⁴³ Criticism of the deal was not uncommon among Israeli and American lawmakers.¹⁴⁴ A systemic criticism of the deal was that it did not solve the issue of Iran and their nuclear program, but merely “postponed a showdown for a decade or so.”¹⁴⁵ This is in reference to the sunset clause of the deal which only places limitations on Iran’s nuclear program until 2030.¹⁴⁶ Critics argue that this sunset clause merely “postponed a showdown for a decade or so.”¹⁴⁷ The easing of economic sanctions will stop the economic “momentum”¹⁴⁸ that has been taking a toll on Iran’s economy. At the end of the agreement Iran “will be much closer to producing numerous nuclear weapons than when the deal was made.”¹⁴⁹

¹⁴² Ibid, 203

¹⁴³ [Glasser, S., White, J., Sitrin, S., & Gerstein, B. \(2017, October 02\). Javad Zarif: The Full Transcript. Retrieved August 26, 2020, from https://www.politico.com/magazine/story/2017/10/02/javad-zarif-transcript-215663](https://www.politico.com/magazine/story/2017/10/02/javad-zarif-transcript-215663)

¹⁴⁴ Sinha, S., & Beachy, S. (2013, March 21). Timeline on Iran's Nuclear Program. Retrieved August 26, 2020, from <https://www.nytimes.com/interactive/2014/11/20/world/middleeast/iran-nuclear-timeline.html>

¹⁴⁵ Singer, M. (2017). The World Did Not Agree to a Nuclear-Armed Iran- Not Even in 10 Years. *Begin-Sadat Center for Strategic Studies*. doi:<https://www.jstor.org/stable/resrep04515>

¹⁴⁶ [Mistry, D. \(2018, April 25\). Analysis | Trump doesn't like the Iran deal's sunset provisions. Here's how to fix that. Retrieved August 26, 2020, from https://www.washingtonpost.com/news/monkey-cage/wp/2018/04/25/trump-doesnt-like-the-iran-deals-sunset-provisions-heres-how-to-fix-that/](https://www.washingtonpost.com/news/monkey-cage/wp/2018/04/25/trump-doesnt-like-the-iran-deals-sunset-provisions-heres-how-to-fix-that/)

¹⁴⁷ Singer, M. (2017). The World Did Not Agree to a Nuclear-Armed Iran- Not Even in 10 Years. *Begin-Sadat Center for Strategic Studies*. doi:<https://www.jstor.org/stable/resrep04515>

¹⁴⁸ Ibid

¹⁴⁹ Ibid

The Trump Administration

In 2016 the IAEA issued a statement “declaring Iran to be in compliance with all of its obligations under the JCPOA.”¹⁵⁰ During the campaign Donald Trump vowed to “dismantle the disastrous deal with Iran.”¹⁵¹ Other members of the JCPOA, most notably French President Macron,¹⁵² lobbied the President to stick with the deal but to no avail. In May of 2018, after years of uncertainty, the United States “would cease implementing the JCPOA and begin to reimpose nuclear-related sanctions on Iran.”¹⁵³ US companies with ties to Iran had only 180 days to “sever contracts”¹⁵⁴ with Iran. Without the United States, the driving economic force of the agreement, Iran “stated that Iran plans to discuss options for preserving the deal with the P5+1 nations.”¹⁵⁵ While the remaining members discussed possible solutions the United States imposed two rounds of sanctions the first round of sanctions in August 2018 targeted Iranian “targeted automobiles, foreign currency, and gold.”¹⁵⁶ The second round in November 2018 was “aimed at Iran’s oil exports and banks.”¹⁵⁷

Iran, growing impatient with the remaining P5 + 1, would take steps that would violate the JCPOA. The most substantial of these violations was taken in November of 2019. Iran announced “it would begin enriching uranium at the heavily fortified underground enrichment facility at

¹⁵⁰ [Iran. \(n.d.\). Retrieved August 26, 2020, from https://www.nti.org/learn/countries/iran/nuclear/](https://www.nti.org/learn/countries/iran/nuclear/)

¹⁵¹ Ibid

¹⁵² [Oliphant, J., & Penetier, M. \(2018, April 24\). France's Macron visits Trump as Iran nuclear deal hangs in balance. Retrieved August 26, 2020, from https://fr.reuters.com/article/idUSKBN1HU0E9](https://fr.reuters.com/article/idUSKBN1HU0E9)

¹⁵³ Ibid

¹⁵⁴ Ibid

¹⁵⁵ Ibid

¹⁵⁶ Dagres, H., & Slavin, B. (2018). How Iran will cope with US Sanctions. *Atlantic Council*. doi:<https://www.jstor.org/stable/resrep20709>

¹⁵⁷ Ibid

Fordow.”¹⁵⁸ These activities allowed Iran to acquire “a stockpile of over 500 kg of LEU,” (a basic ingredient to fabricate nuclear fuel.)¹⁵⁹ With this amount of LEU the Institute for Science and International Security (ISIS) “has estimated that Iran’s breakout time has already been reduced from 8-12 months to 6-10.”¹⁶⁰ It is important to note that with every violation the Iranian regime made it clear that these “violations are reversible, and that Iran will return to the terms of the deal if the US lifts all sanctions.”¹⁶¹ These violations committed are not necessarily a rejection of the deal, but rather this is Iran’s idea to “to have sanctions lifted by pressuring the Europeans to do more to help.”¹⁶²

The goal of the Trump administration’s campaign of increasingly economic sanctions was to put Iran in a position to “relent and make concessions on its nuclear program, missile development, and regional activities.”¹⁶³ While economic pressures are taking their toll on the Iranian economy there is little evidence to suggest that Iran will be willing to negotiate with the United States after the abrupt withdrawal from the JCPOA. In fact, in January 2020 Iran announced it would no longer “abide by the operational restrictions on the low-enriched uranium stockpile, enrichment capacity, percentage of enrichment, amount of enriched material, and research and

¹⁵⁸ Landau, E. B. (2019). Iran's Nuclear Violations: JCPOA and Beyond. *Institute for National Security Studies*. doi:<https://www.jstor.org/stable/resrep19382>, 1

¹⁵⁹ What is LEU? (2016, December 16). Retrieved August 26, 2020, from <https://www.iaea.org/topics/leubank/what-is-leu>

¹⁶⁰ Landau, E. B. (2019). Iran's Nuclear Violations: JCPOA and Beyond. *Institute for National Security Studies*. doi:<https://www.jstor.org/stable/resrep19382>, 2

¹⁶¹ Ibid, 1

¹⁶² Ibid

¹⁶³ Rouhi, M. (2020, March 16). Will Iran Follow North Korea's Path and Ditch the NPT? Retrieved August 26, 2020, from <https://foreignpolicy.com/2020/03/16/will-iran-follow-north-korea-path-ditch-npt-nuclear-bomb/>

development.”¹⁶⁴ In addition, recent economic sanctions might push Iran into withdrawing “from the Nuclear Non-Proliferation Treaty (NPT).”¹⁶⁵ Leaving the NPT has always been a “fringe idea”¹⁶⁶ among the hardliners in Iranian politics, but recent developments have made the idea more salient among a “surprisingly large spectrum of Iranian society.”¹⁶⁷ Since November of 2019 “Iran has nearly tripled its stockpile of low-enriched uranium to 1,021 kilograms (1.1 tons).”¹⁶⁸ With this amount Iran could make a nuclear bomb.

Iran has threatened to leave the NPT if “U.N. Security Council sanctions are reimposed.”¹⁶⁹ While it is unclear if leaving the NPT Iran would immediately pursue making nuclear weapons, or rather use rejoining the NPT as a “bargaining chip,”¹⁷⁰ this is a clear breakdown of the JCPOA and a step in the wrong direction for non-proliferation. Those in favour of leaving the NPT point out that Iran shares North Korea’s position in the world, “sanctions, pariah status,”¹⁷¹ but without the security benefit of nuclear weapons. However, Iran is aware of potential backlashes of leaving the NPT, and pursuing nuclear weapons. For starters, North Korea has not “been able to negotiate tangible sanctions relief.”¹⁷² Another concern for Iran is that leaving the NPT would isolate Iran even more. Withdrawing from the NPT would make China and Russia turn “against”¹⁷³ Iran. Leaving the NPT would also cause greater tensions between the United States and regional players.

¹⁶⁴ Ibid

¹⁶⁵ Ibid

¹⁶⁶ Ibid

¹⁶⁷ Ibid

¹⁶⁸ Ibid

¹⁶⁹ Ibid

¹⁷⁰ Ibid

¹⁷¹ Ibid

¹⁷² Ibid

¹⁷³ Ibid

Analysis:

The strong and consistent approach from the United States and the international community in imposing economic sanctions have produced meaningful breakthroughs in halting Iran's nuclear program. The most notable example of this is the JCPOA, in which Iran would make meaningful concessions with regards to their nuclear program in return for significant easing of sanctions. As the economic sanctions have taken their toll on the Iranian economy it has become clear that Iran values a strong economy over the development of nuclear weapons. Even after the United States left the JCPOA Iran would continue to follow the guidelines of the JCPOA in the promise of European support to circumvent US sanctions. Ultimately, Iran would leave the deal two years after the United States due to the Europeans being unable to provide Iran with a viable mechanism. The JCPOA would ultimately prove to be a failure. However, the failure of the agreement cannot be blamed on Iran, but rather the United States. In fact, despite the United States leaving, and with it the bulk of economic incentives for Iran, Iran remained part of the JCPOA for 2 more years. This illuminates how important the easing of economic sanctions is to Iran. The future of Iran's nuclear program remains uncertain due to high tensions between the United States and Iran, and the prospects of a return to the JCPOA remains slim. The unilateral sanctions imposed on Iran by the United States are not necessarily ineffective at pressuring Iran, but without a coordinated international effort these sanctions are unlikely to produce any meaningful concessions. In other words, these sanctions are akin to not striking when the iron is hot. However, with Iran's worsening economic situation there is a chance that Iran would be willing to make concessions to their nuclear program in return for easing of sanctions.

Exploring Possible reasons for the Different Results of North Korea and Iran's Nuclear Programs:

The economic sanctions imposed on North Korea and Iran shared a similar trajectory, meaning they grew with intensity over time targeting more and more sectors of the economies of Iran and North Korea. At the same time both countries have become increasingly isolated in the international community. However, these two countries, more specifically their nuclear programs, have reacted differently to the continued economic pressures. Why have sanctions against Iran succeeded, albeit moderate successes, but have failed in containing North Korea's nuclear pursuit? The answer to this question is fourfold. Since North Korea and Iran are very unique countries and have their own special set of interests and needs it would be difficult and inaccurate to claim that one factor is responsible for the success or failure of economic sanctions in limiting their nuclear programs. Possible explanations for the differences in the case of North Korea and Iran are economic vulnerabilities, security vulnerabilities, international cooperation, and lastly limited political contestation.

Chapter 6: Economic versus Security Vulnerabilities

The Economy of Iran

The economy of Iran is more akin to other modern economies than North Korea's. However, there are a few idiosyncratic features of Iran's economy that make it unique. One cannot talk about the economy of Iran without bringing up Iran's dependency on oil and natural gas. With "10 percent of the world's proven oil reserves and 15 percent of its gas reserves"¹⁷⁴ Iran's economy is "dependent on oil"¹⁷⁵ and by extension trade. Iran's oil dependency is not as dramatic as its neighbours due to Iran's "well-developed industrial sector and an agricultural sector that produces much of the food the nation consumes."¹⁷⁶ Due to these factors and a population of 80 million Iran is the "second largest economy in the Middle East,"¹⁷⁷ second only to Egypt. All of these attributes are ideal for a strong economy. In fact, "Goldman Sachs has asserted that Iran has the potential to become one of the world's largest economies."¹⁷⁸

The potential of Iran's economic prosperity has been stifled due to "corruption, mismanagement,"¹⁷⁹ and of course, economic sanctions. In recent years, Iran's economy has suffered from hyperinflation and high unemployment, especially among the youth. In 2017 youth unemployment was a "staggering 30 percent."¹⁸⁰ In 2018 there was "significant negative GDP

¹⁷⁴ Benjamin, M. (n.d.). The Iranian Economy After Decades of Sanctions. In *Inside Iran: The Real History and Politics of the Islamic Republic of Iran*. OR Books. doi:<http://www.jstor.com/stable/j.ctv62hfzm.11>, 129

¹⁷⁵ Ibid, 121

¹⁷⁶ Ibid

¹⁷⁷ Ibid

¹⁷⁸ Ibid

¹⁷⁹ Ibid, 121

¹⁸⁰ Ibid, 162

growth.”¹⁸¹ Continued economic decline and the price of fuel rising “triggered”¹⁸² protests in November 2019. To better understand the deteriorating nature of Iran’s economy we ought to look at the components that make up the economy. A large portion of the economy, up to “60 percent,”¹⁸³ is controlled by state owned enterprises (SOE). These SOEs have close ties to Iran’s supreme leader and the state’s “security forces.”¹⁸⁴ These SOEs play a dominant role in the country’s “oil and gas”¹⁸⁵ sector. These SOEs branch out into “large-scale industry, foreign trade, major minerals, banking insurance, power generation, radio and television, telephone services, aviation, shipping, and railroads.”¹⁸⁶ SOEs have a considerable advantage over private companies due to their close relationship with the government that allows them to play by a different set of rules. These advantages have allowed the public sector to “crowd out”¹⁸⁷ the private sector. These forces in Iran have denied the country from greater “economic liberalization”¹⁸⁸ in favour of greater government control in the economy.

In addition to Iran’s plethora of state-owned enterprises there are the Bonyads. Bonyads are “quasi-state, religious foundations”¹⁸⁹ that make up a sizable portion of the economy. There

¹⁸¹ Miller, T., Kim, A. B., & Roberts, J. M. (2020). *2020 Index of Economic Freedom* (Rep.). Washington, DC: The Heritage Foundation.

¹⁸² Ibid

¹⁸³ Benjamin, M. (n.d.). The Iranian Economy After Decades of Sanctions. In *Inside Iran: The Real History and Politics of the Islamic Republic of Iran*. OR Books. doi:<http://www.jstor.com/stable/j.ctv62hfzm.11>, 126

¹⁸⁴ Miller, T., Kim, A. B., & Roberts, J. M. (2020). *2020 Index of Economic Freedom* (Rep.). Washington, DC: The Heritage Foundation.

¹⁸⁵ Benjamin, M. (n.d.). The Iranian Economy After Decades of Sanctions. In *Inside Iran: The Real History and Politics of the Islamic Republic of Iran*. OR Books. doi:<http://www.jstor.com/stable/j.ctv62hfzm.11>, 126

¹⁸⁶ Ibid

¹⁸⁷ Miller, T., Kim, A. B., & Roberts, J. M. (2020). *2020 Index of Economic Freedom* (Rep.). Washington, DC: The Heritage Foundation.

¹⁸⁸ Ibid

¹⁸⁹ Benjamin, M. (n.d.). The Iranian Economy After Decades of Sanctions. In *Inside Iran: The Real History and Politics of the Islamic Republic of Iran*. OR Books. doi:<http://www.jstor.com/stable/j.ctv62hfzm.11>, 127

are roughly 120 Bonyads in Iran that have the privilege of being “tax exempt organizations that get government subsidies and religious donations.”¹⁹⁰ Bonyads are under the direct control of the Supreme Leader and their operations include everything from “farms to hotels to shipping lines, and are not subject to audits or the nation’s accounting laws.”¹⁹¹ With the government playing such a large part in the economy it has created an uneven playing ground for private businesses. It is perfectly legal for Iranians to “own property and establish private businesses,”¹⁹² but there are other roadblocks that prevent Iranians from competing on the same level as the Bonyads and SOEs. One factor is that SOEs and Bonyads can underprice private businesses due to access of the regime's treasury and certain tax exemptions make operating costs much lower than for individuals who wish to start private businesses. The Iranian government pays over \$60 billion in “subsidies”¹⁹³ to these various organizations.

The Iranian economy has various flaws, but that is not to say that there are not positives. From the end of the revolution of 1979 until 2016, “life expectancy jumped from 54 years to 75 years; schooling jumped from 9 years to 15 years.”¹⁹⁴ Compared to some of Iran’s neighbours the citizens of Iran live a relatively prosperous life. This prosperity is not equally spread though. As is common with most economies, income inequality is becoming more problematic. When Mahmoud Ahmadinejad was president of Iran he “complained that 60 percent of the nation’s

¹⁹⁰ Ibid

¹⁹¹ Ibid

¹⁹² Miller, T., Kim, A. B., & Roberts, J. M. (2020). *2020 Index of Economic Freedom* (Rep.). Washington, DC: The Heritage Foundation.

¹⁹³ Ibid

¹⁹⁴ Benjamin, M. (n.d.). The Iranian Economy After Decades of Sanctions. In *Inside Iran: The Real History and Politics of the Islamic Republic of Iran*. OR Books. doi:<http://www.jstor.com/stable/j.ctv62hfzm.11>, 125

wealth was controlled by just 300 people.”¹⁹⁵ While President Ahmadinejad was known for his bold exaggerations the inequality in Iran is palpable. In Tehran, the capital of Iran, “luxury apartments and fancy cars line the streets in the wealthy neighborhoods in North Tehran while families cram together in small, rented rooms in the poorer South Tehran.”¹⁹⁶ the conditions are much worse in Iran’s rural areas.

Economic sanctions imposed on Iran by the United States and allies have had an “adverse effect on the Iranian economy.”¹⁹⁷ Iran’s economy is very dependent on their oil and natural gas exports and these economic sanctions have drastically limited Iran’s ability to do just that. Economic sanctions have limited “international financial transactions”¹⁹⁸ which has made it increasingly difficult to get Iran’s oil in the global market. The most notable of these restrictions was Iran’s “forced exit”¹⁹⁹ from the Society for Worldwide Interbank Financial Telecommunication (SWIFT). Denying access to the “worldwide messaging system used for international money transfers has severely curtailed the flow of oil revenue into the economy.”²⁰⁰ Other targets for economic sanctions include “the EU oil embargo as well as banking and insurance restrictions.”²⁰¹ Sanctions have undoubtedly harmed Iran’s ability to sell its oil and natural gas to other countries. Since 2012, when economic sanctions were ramped up, Iran’s oil production “has

¹⁹⁵ Ibid, 134

¹⁹⁶ Ibid

¹⁹⁷ Bazoobandi, S. (2015). SANCTIONS AGAINST IRAN: WINNERS AND LOSERS. *European Union Institute for Security Studies (EUISS)*. doi:<https://www.jstor.org/stable/resrep07074.10>, 57

¹⁹⁸ Ibid

¹⁹⁹ Ibid, 58

²⁰⁰ Ibid

²⁰¹ Ibid

plummeted.”²⁰² Within the Organization of the Petroleum Exporting Countries, commonly referred to as just OPEC, Iran “lost its position as second-largest producer.”²⁰³ Economic sanctions, as well the already “existing problems”²⁰⁴ of government mismanagement and corruption, have “magnified Iran’s economic woes.”²⁰⁵

Economic sanctions have played a significant role in isolating Iran and reducing their “exposure to the global economy.”²⁰⁶ Since economic sanctions have ramped up Iran has suffered significant GDP loss. Continued economic stagnation and growing discontent among Iranians are believed to have “brought Rouhani to power.”²⁰⁷ Rouhani in power was “somewhat successful in convincing the population of the potentially fruitful outcome of the ongoing nuclear negotiations.”²⁰⁸ Due to Rouhani’s efforts, as well as intense negotiations with the P5 + 1, the Joint Comprehensive Plan of Action was signed. In return for restrictions to Iran’s controversial nuclear program the P5 + 1 agreed to lift certain economic sanctions on Iran. The agreement allowed “Tehran to expand oil exports, attract greater foreign investment, and increase trade.”²⁰⁹ Since 2018, when the United States withdrew from the deal, and therefore reimposing economic

²⁰² Ibid

²⁰³ Ibid

²⁰⁴ Ibid

²⁰⁵ Ibid

²⁰⁶ Ibid, 59

²⁰⁷ Bergeijk, P. A. (2015). SANCTIONS AGAINST IRAN – A PRELIMINARY ECONOMIC ASSESSMENT. *European Union Institute for Security Studies (EUISS)*. doi:<https://www.jstor.org/stable/resrep07074.9>

²⁰⁸ Bazoobandi, S. (2015). SANCTIONS AGAINST IRAN: WINNERS AND LOSERS. *European Union Institute for Security Studies (EUISS)*. doi:<https://www.jstor.org/stable/resrep07074.10>

²⁰⁹ Miller, T., Kim, A. B., & Roberts, J. M. (2020). *2020 Index of Economic Freedom* (Rep.). Washington, DC: The Heritage Foundation, 262

sanctions on Iran, oil exports have been “slashed”²¹⁰ and it has pushed Iran “into a deepening recession.”²¹¹

Economic sanctions from the West have forced Iran to look to other countries in order to stay afloat. China, a rising power, has been an obvious choice for Iran. In 2009, China was Iran’s largest trading partner importing “16.5 percent of Iranian exports”²¹² which consisted of mostly oil. China has invested heavily in Iran’s energy sector. In 2009 China made deals with the Iranian regime for “\$30 billion.”²¹³ China is in a unique position to help alleviate Iran’s economic woes. In 2018 when the Trump Administration reimposed economic sanctions on Iran there were “exemptions”²¹⁴ made for China and India.

China and Iran’s economic relationship has grown over the past years because of China’s demand for energy and the lack of alternatives for Iran. However, the relationship is not limited to the selling of just oil and natural gases. In fact, China has involved Iran in the ambitious Belt and Road initiative. Due to Iran’s vital geographical location China has provided “\$1.8 billion to establish a high-speed rail connection linking key Iranian cities of Tehran, Qom, and Isfahan, and another \$1.5 billion to electrify the rail line from Tehran to the city of Mashad.”²¹⁵ Despite the closeness of the two countries economically there are problems within the relationship. China is a

²¹⁰ Ibid

²¹¹ Ibid

²¹² Slavin, B. (2011). Iran Sanctions: Preferable to War but No Silver Bullet. *Atlantic Council*. doi:<https://www.jstor.org/stable/resrep03346>, 5

²¹³ Ibid

²¹⁴ T. (2019). Country Breif: Iran. *Third Way*. doi:<https://www.jstor.org/stable/resrep20135>, 3

²¹⁵ Benjamin, M. (n.d.). The Iranian Economy After Decades of Sanctions. In *Inside Iran: The Real History and Politics of the Islamic Republic of Iran*. OR Books. doi:<http://www.jstor.com/stable/j.ctv62hfzm.11>, 139

member of the P5 + 1 that negotiated the Iran Nuclear Deal, and does not wish for Iran to possess nuclear weapons. In addition, the United States has “pressured”²¹⁶ China into isolating Iran over their nuclear program. For Iran’s part there is hesitation to accept China with open arms. Iranians have expressed discontent with China over “failures to deliver on promised deals.”²¹⁷ Domestic manufactures in Iran have expressed concern that Chinese imports “undercut local manufacturing.”²¹⁸ While China’s economic relationship with Iran has helped the regime, these problems have caused the Iranian leadership to become wary of “relying too much on China and have been trying to work with a greater spectrum of foreign companies.”²¹⁹

China, despite its rising international clout, can only do some much to alleviate Iran’s economic troubles. Much of the power over Iran remains in the hands of the United States and its European allies. If the United States, France, Germany, and Britain were to “cut off all communication with the country – flights, telephone, internet, banking – along with the countries that would follow their leadership, Iran would be compelled to yield.”²²⁰ China, and Iran’s other friend of convenience Russia, would have few options to mitigate the economic damage. That is of course if Beijing and Moscow are politically motivated to stand up for Iran, but previous actions have shown that these two countries are not “enthusiastic about standing against the West’s actions to defend Iran.”²²¹

²¹⁶ Ibid

²¹⁷ Ibid

²¹⁸ Ibid

²¹⁹ Ibid

²²⁰ Singer, M. (2017). The World Did Not Agree to a Nuclear-Armed Iran- Not Even in 10 Years. *Begin-Sadat Center for Strategic Studies*. doi:<https://www.jstor.org/stable/resrep04515>

²²¹ Ibid

To summarize, the nature of Iran's economy has made it particularly vulnerable to economic sanctions. Its heavy dependence on oil and gas exports and the systemic corruption have created economic woes in the country that are amplified by continued economic sanctions. Due to renewed sanctions imposed by the Trump Administration Iran's economy "shrank by 9.5 percent"²²² in 2019 and inflation continues to devalue the Rial. The continuing economic crisis has "adversely affected the middle class"²²³ of Iran and has led to growing political tensions. As mentioned earlier, in November 2019 the government was no longer able to afford subsidizing fuel prices and this led to riots. Iran is an authoritarian state, but Iranians have come to expect a standard of living that the government cannot provide due to mounting economic pressures. This has put the Iranian government in "intense internal pressure to improve the economy and spread the gains."²²⁴ The government must be able to provide economic relief for the middle and working classes, tackle high unemployment, and growing inflation, because "the very future of the regime rests on it."²²⁵ These goals will remain difficult to achieve as long as the current economic sanctions regime on Iran stays in place.

²²² Rouhi, M. (2020, March 16). Will Iran Follow North Korea's Path and Ditch the NPT? Retrieved August 26, 2020, from <https://foreignpolicy.com/2020/03/16/will-iran-follow-north-korea-path-ditch-npt-nuclear-bomb/>

²²³ Bergeijk, P. A. (2015). SANCTIONS AGAINST IRAN – A PRELIMINARY ECONOMIC ASSESSMENT. *European Union Institute for Security Studies (EUISS)*. doi:<https://www.jstor.org/stable/resrep07074.9>. 53

²²⁴ Benjamin, M. (n.d.). The Iranian Economy After Decades of Sanctions. In *Inside Iran: The Real History and Politics of the Islamic Republic of Iran*. OR Books. doi:<http://www.jstor.com/stable/j.ctv62hfzm.11>, 140

²²⁵ Ibid

Economics of North Korea

North Korea's economy is often described as the last "Stalinist"²²⁶ economy in existence. The tale of North Korea's economy is twofold. On one hand you have the official economy of North Korea and on the other you have the "illegal and semi-legal second economy."²²⁷ The official economy of North Korea is driven by the ideological concept of Juche. Juche roughly translates into "self-reliance,"²²⁸ and has "guided North Korean ideology."²²⁹ In economic terms, Juche is applied in the following ways. First, "all production [is] owned solely by the state and cooperative organizations."²³⁰ The second principle deals with how the states "formulates unified and detailed plans to guarantee a high rate of production growth and balance development of the national economy."²³¹ Lastly, the third economic principle of juche is "self-sufficiency, socialist production relations are based upon the foundation of an independent national economy."²³² In other words, North Korea is a command style economy that does not rely on free markets or the global economy to function.

How effective has Juche been as a guiding economic principle? The answer is not very. North Korea is one of the poorest countries on Earth. The country of 25.6 million people has an

²²⁶ Lankov, A. (2016). The Resurgence of a Market Economy in North Korea. *Carnegie Endowment for International Peace*. doi:<https://www.jstor.org/stable/resrep12994>, 1

²²⁷ Ibid, 13

²²⁸ Kim, Suk H., and Semoon Chang. *Economic Sanctions against a Nuclear North Korea: an Analysis of United States and United Nations Actions since 1950*. Jefferson, NC: McFarland, 2007, 10

²²⁹ Ibid

²³⁰ Ibid

²³¹ Ibid

²³² Ibid

estimated GDP of \$40 billion.²³³ Compared to the \$2.1 trillion of South Korea there are flaws within the North Korean economy. North Korea is one of the “world’s poorest”²³⁴ states with little sign of improvement. The economic growth for North Korea has been “weak”²³⁵ over the past four years, and it is believed that growth in 2018 was negative. The formal economy of North Korea is “centrally planned and grossly mismanaged.”²³⁶ There is virtually no private property in North Korea. The extent of the government’s control even extends to “chattel property.”²³⁷ North Korea “tolerates”²³⁸ small private markets in the country, these are the semi-legal markets mentioned before, but North Korea “lacks even the most basic policy infrastructure of a free-market economy.”²³⁹

With the lack of a robust private market the role the North Korean government plays in the economy is huge. The “government commands and dictates almost every part of the economy and directs all significant economic activity.”²⁴⁰ In the traditional Stalinist approach to economics the regime sets “production levels for most products.”²⁴¹ The vast majority of North Korea’s GDP is made up “by the state and cooperative organizations”²⁴² with close relations with the Kim regime.

²³³ Miller, T., Kim, A. B., & Roberts, J. M. (2020). *2020 Index of Economic Freedom* (Rep.). Washington, DC: The Heritage Foundation.

²³⁴ Kim, S. H., & Martin-Hermosillo, M. (2013). The Effectiveness of Economic Sanctions Against a Nuclear North Korea. *North Korean Review*, 9(2), 99-110. doi:10.3172/nkr.9.2.99, 32

²³⁵ Miller, T., Kim, A. B., & Roberts, J. M. (2020). *2020 Index of Economic Freedom* (Rep.). Washington, DC: The Heritage Foundation.

²³⁶ Ibid

²³⁷ Ibid

²³⁸ Ibid

²³⁹ Ibid

²⁴⁰ Ibid

²⁴¹ Ibid

²⁴² Kim, S. H., & Martin-Hermosillo, M. (2013). The Effectiveness of Economic Sanctions Against a Nuclear North Korea. *North Korean Review*, 9(2), 99-110. doi:10.3172/nkr.9.2.99, 11

The North Korean regime views business activities “through the lens of maintaining political control”²⁴³ and because of this the government holds an “iron grip”²⁴⁴ over labour groups. There are no organized labour groups within North Korea. Monetary policies are tightly controlled by the Government. This tight grip leads to “price distortions”²⁴⁵ which in turn makes life for North Korean’s more difficult. The North Korean regime is able to avoid economic collapse due to “extensive subsidies”²⁴⁶ of food and energy from China.

While the Juche principal has not fostered great economic prosperity in North Korea it is not without its positives. North Korea produces almost every domestically, albeit not to a prosperous extent. This means that North Korea’s “foreign trade amounts only to around 10 percent of Gross National Product (GNP), far below that of most other countries.”²⁴⁷ The products that North Korea does trade internationally are natural resources like fish, seafood, raw materials such as coal.²⁴⁸ As much as “90%”²⁴⁹ of North Korea's trade is with China, which has shielded North Korea from harsh economic sanctions. Compare this with Iran where “the share of foreign

²⁴³ Miller, T., Kim, A. B., & Roberts, J. M. (2020). *2020 Index of Economic Freedom* (Rep.). Washington, DC: The Heritage Foundation.

²⁴⁴ Ibid

²⁴⁵ Ibid

²⁴⁶ Ibid

²⁴⁷ Kim, S. H., & Martin-Hermosillo, M. (2013). The Effectiveness of Economic Sanctions Against a Nuclear North Korea. *North Korean Review*, 9(2), 99-110. doi:10.3172/nkr.9.2.99, 11

²⁴⁸ Lankov, A. (2016). The Resurgence of a Market Economy in North Korea. *Carnegie Endowment for International Peace*. doi:<https://www.jstor.org/stable/resrep12994>, 9

²⁴⁹ Lee, M. (2017). The EU and the Six-Party Talks. *Istituto Affari Internazionali*. doi:<https://www.jstor.org/stable/resrep09706>

trade in the country's GDP is over 48%.”²⁵⁰ 30.2%²⁵¹ of Iran's foreign trade is conducted with China. While China is Iran's largest trading partner the reliance on China is nowhere near as dramatic as North Korea's trading partnership with China. Trade is not crucial for North Korea's mediocre economy to continue operating. While economic sanctions have hurt the economy of North Korea it turns out that heavy handed state influence has made the economy somewhat insular to foreign disruption.

In a macro sense, North Korea's economy is very much a command economy, but domestically North Koreans have adopted market forces that have produced moderate wealth for North Koreans. The Soviet Union's decision to stop economic aid to North Korea proved to be an “economic catastrophe.”²⁵² As a result, North Korea was unable to feed its population resulting in a famine that lasted until the 2000s.²⁵³ When the government could not provide for the people the people turned to market approaches. North Koreans began to engage in activities such as currency exchanges, operating private inns, private libraries, tutoring, and prostitution.²⁵⁴ Despite the fact these private enterprises were “entirely commonplace,”²⁵⁵ and illegal, the North Korean government “officially denied the existence of a private economy in North Korea”²⁵⁶ until 2013.

²⁵⁰ Foreign trade figures of Iran. (n.d.). Retrieved September 08, 2020, from <https://www.nordeatrade.com/en/explore-new-market/iran/trade-profile>

²⁵¹ “Iran (IRN) Exports, Imports, and Trade Partners.” Accessed September 28, 2020. <https://oec.world/en/profile/country/ir>

²⁵² Lankov, A. (2016). The Resurgence of a Market Economy in North Korea. *Carnegie Endowment for International Peace*. doi:<https://www.jstor.org/stable/resrep12994>, 4

²⁵³ Ibid

²⁵⁴ Ibid, 6

²⁵⁵ Ibid, 10

²⁵⁶ Ibid

Even to this day “North Korean leadership tends to take a relaxed and cynical view of the current situation. The leaders understand perfectly well that without an active market component, the country’s economy would not be able to function even at its current, rather modest, level.”²⁵⁷ As North Korea’s private market continues to grow there are signs that North Korea is beginning to “experience income inequality.”²⁵⁸ A class of nouveau riche have appeared in Pyongyang and with them “expensive restaurants and entertainment centers.”²⁵⁹

The private market in North Korea continues to grow and allows the people to provide for themselves what the government cannot, but it is still important to note that “DPRK remains a very poor country.”²⁶⁰ The economy continues to see an estimated growth of around “1.5 percent and 5 percent,”²⁶¹ but “a large number North Koreans (perhaps even the majority) are undernourished every spring.”²⁶² Products such as “meat, fish, and even plain rice remain rare delicacies for most North Koreans, and the majority of citizens eat cooked corn rather than rice on a daily basis.”²⁶³

The North Korean economy is an interesting case study for economic sanctions. North Korea, despite economic hardship (either inherent to their command style economy or through U.S. economic sanctions), has managed to develop and expand on their nuclear program. It would appear that North Korea can survive under U.S. economic sanctions. However, there is much to

²⁵⁷ Ibid

²⁵⁸ Ibid

²⁵⁹ Ibid

²⁶⁰ Ibid, 11

²⁶¹ Ibid

²⁶² Ibid

²⁶³ Ibid

be gained if U.S. economic sanctions against North Korea were to be lifted. With a growing number of middle-class North Koreans the promise of economic prosperity could become political potent in denuclearizing North Korea. However, due to the heavy handed authoritarianism of North Korea, which will be explored in greater detail later in this project, this seems unlikely. In Iran, “no matter how inadequate”²⁶⁴ there are semi-democratic elections and greater personal freedoms for people to express their discontent with the government. Iran “welcomes foreign investment and its citizens travel abroad relatively freely.”²⁶⁵ On the other hand, North Korea's “total external trade is puny at USD 6 billion as of 2012 (IIT 2013), travel is restricted, and it is one of the poorest countries in the world.”²⁶⁶ The Middle-class in North Korea is still poor compared to their Iranian counterparts. North Koreans also live in one of the most brutal contemporary regimes where executions of citizens for innocuous reasons is fairly common. For these reasons it is unlikely the Middle-class in North Korea would be a potent component in denuclearization.

Security Vulnerabilities of Iran

The security issues that face Iran are less pronounced than that of North Korea. Iran holds a strong position relative to its neighbours. States like Saudi Arabia, and to a lesser extent Israel, pose as challengers to Iran. However, the material capabilities of Israel and Saudi Arabia are closer to parity with Iran's capabilities. Unlike North Korea, a state surrounded by global powers, Iran's neighbours are all relative in military might. Iran possesses the material capabilities to pose a

²⁶⁴ Go , Myong-Hyun. “North Korea as Iran's Counterfactual: a Comparison of Iran and North Korea Sanctions .” Asan Institute for Policy Studies , 2013. https://www.jstor.org/stable/resrep08132_6

²⁶⁵ Ibid

²⁶⁶ Ibid

“serious military challenges to the United States and Arab Gulf states.”²⁶⁷ Despite not being in direct conflict with the United States, Iran still believes that the US is Iran’s “main adversary.”²⁶⁸ Decades of hostility between the two countries has shaped Iran’s defence policies. Among the leadership in Iran there is a consensus that the “Iranian military would likely fare poorly in a conventional conflict with the United States.”²⁶⁹ Considering that the United States is the world's largest military and that Iran is more of a mid-power the conclusion is foregone. Due to this reality, Iran has “developed asymmetric-warfare concepts”²⁷⁰ that turn the United States’ strengths into disadvantages when engaging with Iran. An example of this in practice is Iran’s use of “swarming smallboat attacks in the Strait of Hormuz”²⁷¹ against larger US ships.

The tenet of Iran’s defensive capabilities relies on “two key deterrents: its missile program and its nonstate partners in the region.”²⁷² Iran’s ballistic missile capabilities are believed to be in the thousands, which makes Iran the owner of “the largest missile force in the Middle East, and this force is growing in size and sophistication.”²⁷³ Originally the missile program was developed in order to “retaliate proportionately” if Saddam Hussein’s Iraq were to attack. Since the fall of the Hussein regime the missile program was expanded upon to deter other states in the region like Israel

²⁶⁷ Cordesman, A. H., Markusen, M., & Jones, E. P. (2016). Iran's Stability, Internal Security and Military Capabilities. *Center for Strategic and International Studies (CSIS)*. doi:<http://www.jstor.com/stable/resrep23340.5>, 66

²⁶⁸ Olsen, E. A. (2016). Iran's Path Dependent Military Doctrine. *Air University Press*, 10(2), 63-93. doi:<https://www.jstor.org/stable/10.2307/26271505>, 69

²⁶⁹ Ibid

²⁷⁰ Ibid

²⁷¹ Ibid

²⁷² Tabatabai, A. M. (2019). National Security and Military Capabilities. *Rand Corporation*. doi:<http://www.jstor.com/stable/resrep20005.4>, 8

²⁷³ Olsen, E. A. (2016). Iran's Path Dependent Military Doctrine. *Air University Press*, 10(2), 63-93. doi:<https://www.jstor.org/stable/10.2307/26271505>, 63

and “as necessary, to defend fellow Muslims.”²⁷⁴ Iran’s missile program has reached a level of sophistication that Iran is “capable of attacks against infrastructure, military targets, and populations.”²⁷⁵ The range of these missiles has grown over the decades and are capable of attacking “targets in Israel, throughout the region, and beyond with its longest-range ballistic missiles.”²⁷⁶

Iran’s heavy reliance on missiles for defence has caused neighbouring countries to react. The United States and Israel have “[researched and developed] missile defenses.”²⁷⁷ The United States has also aided allied states in the region by either “purchasing new missile defenses,”²⁷⁸ and encouraged rivals of Iran to increase their “long-range strike capabilities.”²⁷⁹ Saudi Arabia, Iran’s main competitor for influence in the region, “acquired long-range conventionally armed ballistic missiles”²⁸⁰ to counter Iran. The United States has also extended protection to states in the region. For one, the United States has “increased the strike capabilities”²⁸¹ of their air force and “has carried out exercises that demonstrate it could make extensive use of conventionally armed cruise missiles.”²⁸² Lastly, the United States has offered allies in the region “U.S. attacks on Iran if Iran should strike.”²⁸³ Iran’s neighbours have been adapting to Iran’s missile capabilities

²⁷⁴ Ibid, 65

²⁷⁵ Ibid, 85

²⁷⁶ Cordesman, A. H., Markusen, M., & Jones, E. P. (2016). Iran's Stability, Internal Security and Military Capabilities. *Center for Strategic and International Studies (CSIS)*. doi:<http://www.jstor.com/stable/resrep23340.5>, 82

²⁷⁷ Ibid, 84

²⁷⁸ Ibid

²⁷⁹ Ibid

²⁸⁰ Ibid, 85

²⁸¹ Ibid

²⁸² 266

²⁸³ Ibid, 84

and have been making strides. In the meantime, Iran's missile program could still achieve a staggering amount of destruction on aggressors and US bases in the region. Despite challenges from neighbouring countries, Iran's missile program is still a potent deterrent.

The other tenet of Iran's defence policy is the use of proxy forces in neighbouring states. Iran's leveraging of nonstate actors has allowed Iran to "develop and maintain presence and influence in key countries throughout the region without expending Iranian lives and while minimizing the costs of its policies."²⁸⁴ These forces have the ability to be destabilizing and cost very little when compared to traditional military. The reach of Iran through nonstate actors spreads throughout the region. It is believed that Iran has backed "Shia forces and militants in Iraq, Syria, Lebanon."²⁸⁵ Iran has been a key supporter of "Hezbollah in Lebanon since 2011."²⁸⁶ The Syrian Civil War is a case where Iran has used both traditional and nonstate actors. Iran has become a key player in the conflict and a "major supporter of the Assad Regime."²⁸⁷ In the conflict, Iran has "deployed both [Iranian Revolutionary Guard Corps] and regular forces, and Al Quds advisors."²⁸⁸ Due to innovative defence policies and a robust strategy Iran has been able to become a regional player that is capable of swaying politics in the Middle East into their favour.

²⁸⁴ Tabatabai, A. M. (2019). National Security and Military Capabilities. *Rand Corporation*. doi:<http://www.jstor.com/stable/resrep20005.4>, 10

²⁸⁵ Cordesman, A. H., Markusen, M., & Jones, E. P. (2016). Iran's Stability, Internal Security and Military Capabilities. *Center for Strategic and International Studies (CSIS)*. doi:<http://www.jstor.com/stable/resrep23340.5>, 105

²⁸⁶ Ibid

²⁸⁷ Ibid

²⁸⁸ Ibid

While Iran has optimized nontraditional capabilities like missiles and nonstate actors Iran's traditional capabilities have fallen to the wayside. In 2004 Iran's military capabilities "of combat aircraft, tanks and armored personnel carriers, and small boats [were] all technologically obsolete in comparison to other regional states."²⁸⁹ Despite when the report was written there is "scant evidence to suggest this has fundamentally improved in recent years."²⁹⁰ The focus of asymmetrical warfare has made mounting an invasion against Iran to be a perilous option, but on the other hand it has made Iran's offensive capabilities less than desirable. Iran's military capabilities are "more than matched by the growing strength of Arab Gulf air-sea forces."²⁹¹ On top of this Iran has to consider "U.S., British, and French power projection capabilities, growing missile defenses, and potential U.S. offers of extended deterrence."²⁹² If Iran is not able to modernize conventional military aspects then Iran will "remain a weak joint war-fighting force."

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Iran's security situation is less fragile than North Korea's. Iran might lack conventional material capabilities to engage in traditional conflicts, but has developed new strategies that acutely target the United States material advantages. Iran has been able to develop deterrence through its missile program that "no military attack, even by the US, could reliably destroy all

²⁸⁹ Olsen, E. A. (2016). Iran's Path Dependent Military Doctrine. *Air University Press*, 10(2), 63-93.
doi:<https://www.jstor.org/stable/10.2307/26271505>, 70

²⁹⁰ Ibid

²⁹¹ Cordesman, A. H., Markusen, M., & Jones, E. P. (2016). Iran's Stability, Internal Security and Military Capabilities. *Center for Strategic and International Studies (CSIS)*.
doi:<http://www.jstor.com/stable/resrep23340.5>, 105, 66

²⁹² Ibid

²⁹³ Olsen, E. A. (2016). Iran's Path Dependent Military Doctrine. *Air University Press*, 10(2), 63-93.
doi:<https://www.jstor.org/stable/10.2307/26271505>, 85

Iranian weapons production facilities.”²⁹⁴ Through the use of nonstate actors Iran has been able to expand its influence into some of the regions less stable neighbours such as Iraq, Syria, and Yemen. Through a unique strategy Iran has managed to become a regional power of sorts. Many policy makers in the United States would be hesitant to repeat the same mistake with Iran as they did with Iraq. Considering Iran is twice the size and double the population of Iraq, any decision to invade Iran would have to consider the 10+ year quagmire that is Iraq. Due to these factors, Iran has developed a deterrence that requires serious consideration from any state before engaging in conflict with Iran. Without nuclear weapons Iran is in a relatively safe position from foreign invasions and can even spread its influence throughout the region.

The recent assassinations of high-ranking Iranian officials, including that of Qassem Soleimani, a major general in the Iranian Revolutionary Guard Corps, in January 2020 and of Mohsen Fakhrizadeh, a senior official in Iran’s nuclear program, in November 2020 have caused concerns within Iran about the government’s ability to protect individuals close to the regime. In addition, these assassinations have thrown the prospects of Iran and the United States (as well as the remaining P5 +1 members) reimplementing the JCPOA (or similar framework) into question. While there is division in the Iranian government, such as the Iranian parliament passing legislation “requiring the country to set up its uranium enrichment activities and potentially end the UN inspection programme,”²⁹⁵ the current president of Iran has stated that Iran is willing to rejoin the

²⁹⁴ Singer, M. (2017). The World Did Not Agree to a Nuclear-Armed Iran- Not Even in 10 Years. *Begin-Sadat Center for Strategic Studies*. doi:<https://www.jstor.org/stable/resrep04515>

²⁹⁵ “Iran Says It Will Comply with Nuclear Deal If Biden Lifts All Sanctions,” December 3, 2020. <https://www.theguardian.com/world/2020/dec/03/iran-comply-nuclear-deal-biden-lifts-all-sanctions>.

JCPOA and that the deal “needs no negotiations.”²⁹⁶ In return for rejoining the deal Iran wishes that the United States permanently stays in the deal. However, how the United States government will respond remains uncertain.

Despite escalating tensions and brazen attacks on high-ranking officials in Iran the Iranian regime is willing to work with the Biden administration in order to achieve a deal. While the rhetoric from Iran is inconsistent, it is believed that the Hard-liners in Iran are taking an adversarial approach to the United States over their nuclear program in an attempt to bolster their negotiating stance. Iran is not able to protect high ranking officials from attacks from Israel and the United States and aggressively pursuing a nuclear program might exacerbate their security vulnerabilities. Despite the tensions the Rouhani administration is willing to work with the Biden administration and states like Saudi Arabia over a variety of issues, including Iran’s nuclear program, in order to ease regional tensions. Therefore, Iran appears to think that cooperation and diplomacy are more likely to ensure the safety of its officials as a more pragmatic approach with regards to their nuclear program than acceleration. Therefore, the best chance in ensuring the safety of Iranian officials is to come to an agreement with the United States and its regional allies over Iran’s nuclear deal. Not only will this ease tensions in the Middle East but will also alleviate Iran’s economic woes.

²⁹⁶ Motamedi, Maziar. “Rouhani: 'No Negotiations' Needed to Restore Iran Nuclear Deal.” Hassan Rouhani News | Al Jazeera. Al Jazeera, December 9, 2020. <https://www.aljazeera.com/news/2020/12/9/iran-rouhani-no-negotiations-on-nuclear-deal>.

Security Vulnerabilities of North Korea

Due to the eccentric nature of the North Korean regime, their pursuit of nuclear weapons is often perceived by the media and politicians as irrational. However, North Korea's pursuit of nuclear weapons is completely rational within a security context. North Korea, as with all states, is concerned about the survival of the regime. While the regime holds an iron fist towards its population the same cannot be said for the international community. North Korea is surrounded by some of the most powerful militaries in the world. That is not even considering the numerous US military bases in the region. Due to this reality, North Korea "has one of the largest militaries in North-East Asia. The North Korean army has over 1 million personnel"²⁹⁷ and holds tactical leverage over South Korea. This leverage consists of "around 70 percent of its ground forces are deployed south of the Pyongyang-Wonsan line within 100 miles of the DMZ. It is also common knowledge that, by virtue of its geographic location, Seoul and its surrounding suburban areas are extremely vulnerable to the thousands of North Korean artillery pieces located along the DMZ."

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These attributes sound impressive, but in a broader context North Korea's military capabilities pale in comparison to its neighbours. South Korea has many advantages over North Korea and is considered a formidable foe with regards to military capabilities, and this is not counting for the aid the United States provides. There are two factors that hinder North Korea's military advantages. First, "90 percent of all active South Korean divisions are stationed north of

²⁹⁷ Cho, Youngwon. "Method to the Madness of Chairman Kim: The Instrumental Rationality of North Korea's Pursuit of Nuclear Weapons." *International Journal: Canadas Journal of Global Policy Analysis* 69, no. 1 (July 2014): 5–25. <https://doi.org/10.1177/0020702013518489>, 13

²⁹⁸ Ibid

Seoul, right up against North Korean forces across the DMZ.”²⁹⁹ Secondly, “due to its predominantly fixed positioning, the much-discussed North Korean artillery is not a mobile, offensive asset useful for invasion and cannot make up for North Korea's increasingly obsolete military hardware.”³⁰⁰ While it is true that North Korea does have a large military it should be noted that the bulk of North Korea’s military technology is grossly outdated and inferior to South Korea’s military hardware. According to research, “the DPRK’s military hardware is largely composed of obsolete relics. Most of its battle tanks were introduced in the 1950s; with few exceptions its surface ships are less than 100 tons and technologically outdated; and two-thirds of its fighter planes are, much like its obsolete tanks, ancient remnants from half a century ago.”³⁰¹

Another concern for North Korea is the deployment of the United States missile defence system known as THAAD (Terminal High Altitude Area Defence). If North Korea were able to launch an attack on South Korea with their traditional missiles THAAD would provide enough protection and would allow for South Korean and American forces enough “time to launch [their] counterattack”³⁰² and launch “a devastating series of strikes on North Korean positions.”³⁰³ THAAD is in essence a defensive measure implemented by the United States in South Korea, but there is no doubt about the offensive capabilities of THAAD. THAAD is not the only reassurance the United States is providing South Korea. As tensions have grown between North and South

²⁹⁹ Ibid

³⁰⁰ Ibid

³⁰¹ Ibid, 16

³⁰² Easley, L. (2016). KAESONG AND THAAD: South Korea’s Decisions to Counter the North. *Sage Publication, Inc, 179*(2), 21-27. doi:<https://www.jstor.org/stable/10.2307/26369506>, 23

³⁰³ Ibid

Korea the United States has “taken measures to support its ally’s security, including rotational deployment of strategic assets (bombers, aircraft carriers, submarines), upgraded military exercises and planning, defense equipment procurement, and closely coordinated diplomacy.”³⁰⁴

This reality is concerning for North Korea, because technically North and South Korea are still at war with one another. The prospects of the Korean War restarting are somewhat rare, but South Korea’s military capabilities would give pause to North Korea. This of course is just South Korea's capabilities, “adding the US into the picture not only skews the already asymmetric military balance in the Korean peninsula against the DPRK but also reveals another deep-running source of Pyongyang’s insecurity: the decades-long hostility of the US towards North Korea and the possibility that it may bring its hegemonic power to bear upon the DPRK.”³⁰⁵ On the surface, without accounting for North Korea’s nuclear weapons, the odds are stacked against North Korea. With the current state of the North Korea military there is no possibility of North Korea catching up with the military might of South Korea. However, when equating to the fact that North Korea has a nuclear arsenal, albeit a small one, the supremacy of South Korea and the United States’ military are diminished. In the case of North Korea “not only are nuclear weapons the most reassuring means to ensure North Korea’s survival, they are also the cheapest, which makes them even more appealing for a country as broke as the DPRK.”³⁰⁶ One of the important features of nuclear weapons is not their use, per se, but the threat of using them. The factor of nuclear

³⁰⁴ Ibid

³⁰⁵ Cho, Youngwon. “Method to the Madness of Chairman Kim: The Instrumental Rationality of North Korea’s Pursuit of Nuclear Weapons.” *International Journal: Canadas Journal of Global Policy Analysis* 69, no. 1 (July 2014): 5–25. <https://doi.org/10.1177/0020702013518489>. 17

³⁰⁶ Ibid, 21

deterrence is invaluable for a regime like North Korea, because it ensures North Korea a certain level of protection from external threats.

The possession of nuclear weapons has made an invasion from the United States and South Korea almost impossible. While a victory for the United States would be likely, but “the enormous cost it would entail in terms of South Korean civilian casualties”³⁰⁷ would make any incursion far too costly. This deterrence is most beneficial for a regime as unstable and paranoid as North Korea. Despite repeated reassurance from the U.S. Department of State that the “U.S. goal is denuclearization, not regime change.”³⁰⁸ This has done little to calm down the regime in North Korea. Fears of invasion and even nuclear attack from the United States have been “acutely heightened by the end of the Cold war.”³⁰⁹ Since the end of the Cold War, and more importantly the abandonment of “Pyongyang by the Soviet Union and Chinese allies,”³¹⁰ North Korea has witnessed two regimes give up their nuclear weapons program, Iraq and Libya, and both of those regimes were toppled by the United States.

In particular, the example of Libya is especially poignant. The Gaddafi regime, “long accused by the US of offences similar to those of North Korea and treated with equal contempt”

³⁰⁷ Dombrowski, P., & Reich, S. (2018). Beyond the Tweets: President Trump's Continuity in Military Operations. *Air University Press*, 12(2), 56-81. doi:<https://www.jstor.org/stable/10.2307/26430816>, 70

³⁰⁸ Easley, Leif-Eric. “FROM STRATEGIC PATIENCE TO STRATEGIC UNCERTAINTY: Trump, North Korea, and South Korea’s New President.” *World Affairs* 180, no. 2 (2017): 7–31. <https://doi.org/10.1177/0043820017721361>. 12

³⁰⁹ Park, K. (2001). North Korea;s Defensive Power and U.S.-North Korea Relations. *Pacific Affairs, University of British Columbia*, 73(4). doi:<https://www.jstor.org/stable/2672443>, 8

³¹⁰ Ibid

³¹¹ dismantled their nuclear program in favour of economic aid. In return for giving up their nuclear program Libya was rewarded with “its removal from the list of state sponsors of terrorism, lifting of sanctions” ³¹² which are similar incentives promised to North Korea. There was, and arguably the most important, an assumption between Libya and the United States that “outright hostilities would cease and the US would not seek regime change.” ³¹³ This remains a key reason why North Korea rejects denuclearization, because North Korea “believes the United States will not attack a country with nuclear weapons.” ³¹⁴ For North Korea, the security issues it faces without nuclear weapons is insurmountable. With aging military hardware, surrounded by the worlds’ largest militaries, and with the United States breathing down its neck North Korea simply could not compete with its rivals. Even with nuclear weapons North Korea’s material capabilities pale in comparison to China, Russia, the United States and to some degree South Korea. Due to these factors, North Korea’s security concerns are much more perilous than Iran’s.

³¹¹ Ibid, 25

³¹² Ibid

³¹³ Ibid

³¹⁴ Easley, L. (2017). FROM STRATEGIC PATIENCE TO STRATEGIC UNCERTAINTY: Trump, North Korea, and South Korea’s New President. *World Affairs*, 180(2), 7-31. doi:10.1177/0043820017721361, 9

Chapter 7: International Cooperation

While the United States holds a considerable amount of economic clout that does not ignore the fact that economic sanctions are an international effort. As discussed before, the United States has a plethora of methods of employing economic sanctions from unilaterally (usually threatening economic damage to countries who continue trading with the target country) and through the United Nations. As one might assume the foreign policy goals are not always aligned with those of other countries, even if it has to deal with something as serious as nuclear proliferation. How effective sanction regimes are is dependent on international cooperation. If a few key countries haphazardly implement or downright ignore economic sanctions then the effects of said economic sanctions can be diminished. As we will soon explore whether there is a correlation between the effectiveness of economic sanctions and the level of cooperation target countries have with other countries. One country in particular, China, and its participation can dramatically affect the effectiveness of economic sanctions.

International Cooperation for North Korea

Let us examine North Korea and its relationship with other countries. Often dubbed as the Hermit Kingdom, North Korea is a pariah in the international community. Due to their antagonist and confrontational approach North Korea is one of the world's most isolated countries. Even China, a traditional ally of North Korea, has grown frustrated³¹⁵ with the regime due to their nuclear weapons program. Relations between the two countries have become strained in recent

³¹⁵ Cha, V. D. (2016). The North Korea Question. *University of California Press*, 56(2), 243-269. doi:<https://www.jstor.org/stable/10.2307/26663696>, 258

years and China has become more vocal about their annoyance with the Kim regime. The Global Times, a mouthpiece for the Chinese Communist Party (CCP), published an editorial “that made it clear that China was “entitled” to reduce its aid to North Korea “without hesitation and simultaneously” if another test took place.”³¹⁶ There have been tangible results from the growing separation between China and North Korea. In 2015 China “rejected North Korean entry into the China-led Asian Infrastructure Investment Bank—a severe blow to North Korea’s economic future.”³¹⁷ Actions like this from China have made North Korea more isolated and more economically fragile.

Since Donald Trump took office in the United States his administration has sought to capitalize on China’s frustration and has “used high-level diplomacy to engage Beijing on North Korean policy.”³¹⁸ As China makes up at least “85 per-cent of North Korea’s external trade”³¹⁹ it would be difficult for economic sanctions to be effective without the help of the Chinese. In fact, some experts believe that China “holds the key to resolving the North Korea nuclear issue.”³²⁰ While it is true that economic sanctions have mixed results on the North Korean economy (due to reasons previously discussed), China’s “pressure on North Korea through sanctions ... seems to have worked to change the behavior of the regime in Pyongyang in some instances,

³¹⁶ Ibid, 259

³¹⁷ Hayes, P., & Cavazos, R. (2015). North Korea in 2015. *University of California Press*, 56, 1st ser., 68-77. doi:<https://www.jstor.org/stable/10.2307/26364344>, 70

³¹⁸ Easley, L. (2017). FROM STRATEGIC PATIENCE TO STRATEGIC UNCERTAINTY: Trump, North Korea, and South Korea’s New President. *World Affairs*, 180(2), 7-31. doi:10.1177/0043820017721361, 14

³¹⁹ Ibid

³²⁰ Lee, M. (2017). The EU and the Six-Party Talks. *Institute of International Affairs*. doi:<https://www.jstor.org/stable/resrep09706>

with the imposition of sanctions being followed by North Korea returning to the negotiating table.”³²¹

There is a long list of examples to point to of China using their economic leverage over North Korea to sway not only their nuclear program, but other provocative actions. After North Korea successfully detonated their first nuclear bomb China supported the “UN Security Council Resolution 1718 and conducted intensive mediation between North Korea and the US, which led at the end of the year to the return of North Korea to the Six Party talks— since 2003 the main China-sponsored forum for negotiating the North Korea nuclear issue.”³²² As North Korea continued to test nuclear weapons China would continue to approve UN Security Council resolutions and take unilateral action banning exports of oil, coal, and access to Chinese financial services.³²³

While China and the United States are aiming to the same end, a denuclearized North Korea, it does not mean that China does not have their own goals. In addition to the denuclearization of the Korean Peninsula, China also wants to prevent “North Korea from falling under US influence [and prevent] military conflicts and humanitarian crises on the Korean Peninsula, which might affect the stability of China’s northeast region.”³²⁴ China is North Korea’s main trading partner and if China were to suddenly restrict trade with the Hermit Kingdom the

³²¹ Ibid

³²² Ibid

³²³ Ibid

³²⁴ Ibid

consequences would be severe. The chances of the North Korean regime collapsing would almost be inevitable considering the regime is not exactly stable with current levels of trade and aid with China. If the regime were to collapse at best there would be a refugee crisis and at worst nuclear weapons falling into the wrong hands.

An example of China easing on North Korea due to concerns of instability occurred after North Korea's sixth nuclear test. At first China imposed "limitations on the supply of oil in October of that year in line with UN Security Council Resolution 2375."³²⁵ However, shortly after the implementation China soon eased the ban on oil exports, because of the increase of oil prices within North Korea. Which "combined with restrictions on coal, textiles, agricultural and other imports from North Korea, the latter's many economic activities came to a halt, and its foreign currency reserves dropped sharply."³²⁶ Fears that too intense economic pressures on North Korea could lead to the regime to collapse has caused China to ease up the economic pressure. If North Korea were to collapse that would cause greater problems for China than the status quo. China's approach has caused economic sanctions to be less effective than they could be due to the level of dependency North Korea has on China.

Of course, China is not entirely altruistic in their goals to denuclearize North Korea. China is trying to use their leverage over North Korea to "negotiate trade with the US and to enhance China's international position overall."³²⁷ China's actions can be interpreted "to retain its leverage

³²⁵ Ibid

³²⁶ Ibid

³²⁷ Ibid

over Pyongyang and its seat in the North Korea nuclear talks. This also serves as a bargaining chip in China's trade war with the US." ³²⁸ While denuclearizing North Korea is important to the Chinese it appears that China and their use of economic sanctions are a "diplomatic card for Beijing in shaping North Korea's behavior, as well as to negotiate with the US on nuclear, trade and other issues." ³²⁹ Donald Trump's openness to North Korea arguably is an attempt to remove China from the picture so the United States can deal directly with the Kim regime and negotiate denuclearization without China's influence. China is unlikely to stand by as the United States brings North Korea closer to their sphere of influence, especially considering how useful North Korea can be to China's goals.

The United States and China are not the only two actors trying to get North Korea to denuclearize, nor the only countries looking to utilize North Korea for their benefit. From an unpublished UN report, "North Korea has increasingly turned to Russia as a partner in its oil and coal trade," ³³⁰ which violates UN sanctions. South Korea, who has the most to gain from a denuclearized North Korea in both economic and security issues, has called for "easing of sanctions against North Korea." ³³¹ Similar to China, if the North Korean regime were to collapse South Korea would have to deal with the consequences. Japan has economic incentives for the lowering of sanctions. Due to North Korea's abundance of minerals and a cheap labour force Japanese companies are waiting to enter North Korea when the situation with the latter has been

³²⁸ Ibid

³²⁹ Ibid

³³⁰ Ibid

³³¹ Ibid

normalized.”³³² While tensions remain high on the Korean peninsula over North Korea’s nuclear weapons program there is the potential for North Korea’s neighbours to benefit. Russia, South Korea, Japan, and even the United States “all have the potential to become Pyongyang’s new benefactors in place of Beijing.”³³³

As a result, other countries, such as China, Russia, and even South Korea take a different approach to economic sanctions over North Korea. An illuminating case study of this is UN Resolution 1718. UN Resolution 1718 was to impose “an embargo on exports of heavy weapons. Dual-use items, and luxury goods to North Korea, as well as on importation of heavy water systems from North Korea.”³³⁴ Every country that agreed to imposing these smart sanctions on North Korea agreed to limit the export of luxury goods to North Korea, but “no evidence has been found that UN economic sanctions have had any effect on North Korea’s trade in luxury goods with its largest trade partner, China. Nor is there evidence that sanctions have had an indirect effect on North Korea’s aggregate trade with its two principal partners, China and South Korea.”³³⁵ The problem with this particular round of sanctions against North Korea was that “sanctions left to individual UN members.”³³⁶ Meaning that the individual country could decide what was considered a luxury and military goods, therefore this led to an uneven application of the economic

³³² Ibid

³³³ Ibid

³³⁴ Noland, M. (2009). The (Non-) Impact of UN Sanctions on North Korea. *Asia Policy*, 7(1), 61-88. doi:10.1353/asp.2009.0047, 65

³³⁵ Ibid

³³⁶ Ibid

sanctions. The end result allowed the North Korean elite to continue receiving luxury items and therefore negating the effectiveness of the economic sanctions.

The economic sanctions on luxury goods is an example that highlights how states' individual self-interest and a lack of enforcement can render sanctions useless. This reality shows that for other states, preventing North Korea from having nuclear weapons, while important, is not as high a priority as it might be for the United States. Therefore, how states implement economic sanctions will be dependent on that state's self-interest. Countries such as China and South Korea have interest in keeping the North Korean regime stable enough to avoid a collapse. In order to avoid a collapse, China and South Korea continue to trade with North Korea (albeit not to the same extent). Both understand the importance of restricting North Korea's nuclear ambitions and do implement sanctions, but not to the same degree as the United States. This uneven application allows the North Korean regime some breathing room. Although a valid strategy on paper, the implementation of economic sanctions can often have mixed results.

International Cooperation for Iran

Iran's position in the international community is vastly different from North Korea's. As mentioned earlier, Iran's economy is more connected to the global economy, despite economic sanctions imposed by the United States and the international community. Iran's also wealthier than North Korea, although that is not a high bar to clear. Iran's material capabilities are much greater than that of North Korea's. While Iran does not possess nuclear weapons, at least not yet, it yields an impressive armed force and an extensive network of proxy forces and militias. Iran

finds itself in competition with Saudi Arabia for “influence and dominance”³³⁷ in the Middle East. After the 2003 invasion of Iraq and the subsequent overthrowing of Saddam Hussein there was a “power vacuum”³³⁸ in the Middle East in which Iran partially filled. After the fall of Saddam tensions between Iraq’s Sunnis and Shais grew. As these tensions began to boil over “Iran supported Iraqi Shia; Saudi Arabia supported Iraqi Sunnis.”³³⁹ The tensions between Iran and Saudi Arabia would continue to grow as the Arab Spring swept the region and “as some regimes were toppled and others desperately clung to power.”³⁴⁰ Iran has been accused of “waging proxy wars in Iraq, Syria, Yemen, Bahrain, Kuwait, and even inside [Saudi Arabia].”³⁴¹ Iran’s actions have brought upon ire and criticism from regional states and from the United States and allies. This has left Iran in an isolated position.

The United States has been able to use their leverage and mutual concerns about Iran to persuade regional players into isolating Iran politically and economically. Despite the economic incentive Middle Eastern countries would gain from working with Iran they have opted not to because “no government in the region wished to find itself facing an Iran in possession of nuclear weapons.”³⁴² Iran without nuclear weapons is a regional power. With nuclear weapons the balance of power would become unstable and potentially violent as the region tries to cope with a much

³³⁷ Benjamin, M. (n.d.). Iran in the Middle East and Beyond. In *Inside Iran: The Real History and Politics of the Islamic Republic of Iran*. OR Books. doi:<http://www.jstor.com/stable/j.ctv62hfzm.13>, 167

³³⁸ Ibid, 168

³³⁹ Ibid

³⁴⁰ Ibid

³⁴¹ Ibid

³⁴² Nephew, R. (2016). How US Made Sure Its Sanctions Worked. *Royal Institute of International Affairs*, 72(1), 36-38. doi:<https://www.jstor.org/stable/45180492>, 38

more powerful Iran. Other states knew the strategy of the United States under President Bush and Obama was to “attempt to resolve the situation diplomatically.”³⁴³

Outside of the region, the United States also has considerable help from the European Union and United Kingdom. As mentioned before in the economic section, the EU has taken the initiative to impose sanctions on Iran based on insurance and oil exports over Iran’s nuclear program. The European Union (which at the time included the United Kingdom) has taken an assertive role in dealing with Iran and their nuclear program. The EU, and the United States, hold considerable economic leverage over Iran. If the EU and the United States wished they could cut “all communication with the country – flights, telephone, internet, banking – along with the countries that would follow their leadership, Iran would be compelled to yield.”³⁴⁴ This would grind Iran’s economy to a halt and subsequently Iran’s nuclear program. Even friends of convenience like China and Russia “would not be enthusiastic about standing against the West’s actions to defend Iran.”³⁴⁵

Europe, mostly France, Germany, and the United Kingdom, have adopted a more pragmatic and less disruptive approach to solving the issues surrounding Iran’s nuclear program. France, Germany, the United Kingdom and the European Union all played an important role in the formulation of the JCPOA. The European Union and United Kingdom were invested heavily in the Iranian Nuclear deal because it provided a security solution and economic incentive for both

³⁴³ Ibid

³⁴⁴ Ibid

³⁴⁵ Ibid

Iran and the EU. In fact, when the United States walked away from the JCPOA the EU tried to salvage the deal. Due to US sanctions, commercial banks would not be able to “transfer funds to Iran’s Central Bank and many other designated financial institutions.”³⁴⁶ Europe looked into alternative “electronic money transfer systems”³⁴⁷ that could not be blocked by the United States. One idea that came up was for Europe to use European central banks to transfer money to Iran, because the assumption was that the United States would “never sanction a European central bank.”³⁴⁸ Under this system, “a central bank would collect hundreds or even thousands of planned transactions and ‘bundle’ them together, sending the funds to Iran in one lump sum that would then be redistributed to the intended recipients in Iran.”³⁴⁹

Ultimately these schemes and Europe’s efforts to keep Iran in the JCPOA would be unsuccessful. In January 2020 Iran would officially leave the JCPOA. The point is not that the EU and the UK were successful in keeping Iran in the nuclear deal, but rather their efforts and involvement into solving the issue of Iran’s nuclear program is far more involved than other members in North Korea’s case. It was a high priority of the EU and UK to not only keep Iran nuclear free, but to be able to access Iran’s natural resources. Ironically, it was “the European Union that faces the “biggest brunt of these reimposed sanctions”³⁵⁰ as the Trump administration has “already provided exemptions from Iranian sanctions for Iran’s biggest petroleum customers

³⁴⁶ Dages, H., & Slavin, B. (2018). How Iran will cope with US Sanctions. *Atlantic Council*.

doi:<https://www.jstor.org/stable/resrep20709>, 3

³⁴⁷ Ibid

³⁴⁸ Ibid

³⁴⁹ Ibid

³⁵⁰ Fact Sheets & Briefs. (n.d.). Retrieved August 26, 2020, from <https://www.armscontrol.org/factsheets/dprkchron>,

3

like China and India.”³⁵¹ Unlike the North Korea case, the European Union played arguably a larger role than the United States in bringing Iran to an agreement over its nuclear program and trying to maintain said deal.

Traditionally, Iran has had to look towards the West for economic investment, but “has grown frustrated with European countries that have opposed Mr. Trump’s policy but quietly withdrawn from the kinds of deals that the nuclear agreement once promised.”³⁵² China’s rising role on the world stage and in the Middle East has presented Iran with an alternative to Western exports and investment. As of July 2020, there is an agreement between China and Iran which could amount to “billions of dollars of Chinese investments in energy and other sectors.”³⁵³ This deal between the two countries would allow for Chinese presence in “banking, telecommunications, ports, railways and dozens of other projects.”³⁵⁴ In return, Iran would provide China with oil at a “heavily discounted”³⁵⁵ price. This deal also includes a “deepening of military cooperation”³⁵⁶ which includes “joint training and exercises, joint research and weapons development and intelligence sharing.”³⁵⁷ This new deal would give Iran not only much needed economic investment, but a strategic partner and China a foot in the door in the Middle East. Most importantly, this new deal would present a “major blow”³⁵⁸ to the Trump’s administration

³⁵¹ Ibid

³⁵² Fassihi, F., & Myers, S. (2020, July 11). Defying U.S., China and Iran Near Trade and Military Partnership. Retrieved August 27, 2020, from https://www.nytimes.com/2020/07/11/world/asia/china-iran-trade-military-deal.html?fbclid=IwAR1Cp6iCFFP6fayzRkLe6S0rX8j06QRJEyOKWig4K3A9At71n9edZcDs_5Q

³⁵³ Ibid

³⁵⁴ Ibid

³⁵⁵ Ibid

³⁵⁶ Ibid

³⁵⁷ Ibid

³⁵⁸ Ibid

Maximum Pressure campaign against Iran. While the details of the deal between Iran and China are still in the air this does highlight how sanction efforts by the United States have been successful in isolating Iran economically, if not too well. An increasingly isolated and desperate Iran caught the eyes of an opportunistic China, one of the members of the P5+1 in signing the Iran Nuclear Deal. While Iran's nuclear ambitions have concerned China, their self-interest and gaining influence in the region has taken priority over the trying to hinder Iran.

The alleged deal between Iran and China has been “quietly drafted”³⁵⁹ due to potential pushback from both sides of Iran's political spectrum. The agreement has been criticized for “selling off”³⁶⁰ and economically and politically weakened Iran to China. China's Belt and Road initiative leaving African and Asian countries “indebted and ultimately beholden to the authorities in Beijing”³⁶¹ have stoked fears that Iran could share the very same fate as those countries. Much like Iran's economic ties with China there are concerns of becoming overly dependent on China. However, with the economic and political situation in Iran getting worse and a lack of coherence from the United States and allies Iran is left with few options.

To summarize, Iran is a fairly isolated state due to its aggressive foreign policy and antagonism of regional actors like Saudi Arabia and Israel. The United States, and equal parts the European Union, have been able to capitalize on Iran's isolation to enact an effective economic sanctions regime that has done serious harm to Iran's economy. The European Union, the United

³⁵⁹ Ibid

³⁶⁰ Ibid

³⁶¹ Ibid

States, and regional players all want the same thing: a nuclear free Iran. Unlike North Korea, where a great deal of their material capabilities are associated with their nuclear arsenal, Iran is a regional power without nuclear weapons. Iran getting nuclear weapons could drastically alter the balance of power in the Middle East and cause a nuclear arms race; a situation states would like to avoid. The joint effort between the European Union and the United States have made the conditions for Iran signing the Joint Comprehensive Plan of Action more likely. However, this economic leverage over Iran is diminishing as China takes a more aggressive role in the world stage. In Iran there are concerns of becoming overly dependent on China. Such a heavy reliance on China might push investors from other countries, like South Korea, away as from Iran over fears of competition viability. Despite this, with an aggressive United States and a politically immobile European Union Iran is left with little options. The role of China, in the future, could pose a threat to Western economic leverage and to an extent the potency of the economic sanction regime that has been built up over the decades.

Analysis:

Bringing this back to our Most Similar System Design we can see that both Iran and North Korea are under intense economic pressures over their nuclear programs. These economic sanctions have created an unfavorable economic condition in both countries. However, there is a key difference in the implementation of these economic sanctions. In North Korea's case the actors involved, with the possible exception of the United States, seek to exploit North Korea's dire economic condition to receive benefits. In exchange for a lax implementation of certain economic sanctions China gains political leverage over the United States in matters such as

trade. States like Russia and Japan gain economic benefits (such as cheap labour). In Iran's case there is a genuine attempt to solve Iran's nuclear dilemma, especially from the European Union and the United Kingdom. The states involved would like to limit an already capable Iran whilst gaining access to Iran's economy. While there is a difference in how these economic sanctions are employed one constant remains intact: states are acting in their self-interest while attempting to limit North Korea's and Iran's nuclear ambitions.

Chapter 8: Political Contestation

Iran's Regime

The regime of Iran is arguably one of the most unique political structures in modern political science. Iran is an authoritarian state, earning a 17 out of 100 on Freedom House's scale.³⁶² For context, China scores a 10 out of 100 and the United States scores an 86 out of 100.³⁶³ Despite the relatively low score, especially compared to the United States, Iran is sprinkled with democratic elements. Iran, unlike other authoritarian regimes, "holds elections regularly"³⁶⁴ for positions in the national legislature (The Islamic Consultative Assembly or also known simply as the Majles) and even the presidency. These elections are not nearly as democratic as elections held in the United States and other Western democracies. The reason for this is the Guardian Council, "an unelected body that disqualifies all candidates it deems insufficiently loyal to the clerical establishment."³⁶⁵ Iranian politicians must fit within a fairly narrow political spectrum, which includes not questioning the status quo too critically, to even be allowed to run in an election. At the top of the Iranian government lies the supreme leader Ayatollah Ali Khamenei and the institutions he directly controls. Examples of said institutions are the security forces (including the Iranian Revolutionary Guard Corps) and the Judiciary.

³⁶² Iran. (n.d.). Retrieved August 27, 2020, from <https://freedomhouse.org/country/iran/freedom-world/2020>

³⁶³ "Countries and Territories." Freedom House. Accessed October 30, 2020.
<https://freedomhouse.org/countries/freedom-world/scores>.

³⁶⁴ Iran. (n.d.). Retrieved August 27, 2020, from <https://freedomhouse.org/country/iran/freedom-world/2020>

³⁶⁵ Ibid

The supreme leader of Iran, a position that has “no fixed term,”³⁶⁶ is the highest authority in Iran. In addition to controlling the Judiciary and the Military the supreme leader also controls “state broadcast media, and the Expediency Council—a body tasked with mediating disputes between the Guardian Council and the parliament.”³⁶⁷ The position of the supreme leader is appointed by the Assembly of Experts. The assembly is supposed to act as a check on the power of the supreme leader and “monitor his works,”³⁶⁸ but in reality the decisions of the supreme leader “go unchallenged by the assembly.”³⁶⁹ The head of the Iranian government is essentially an unelected and unquestioned leader that has no term limits. This is inherently undemocratic. The position of the supreme leader seriously damages the legitimacy of Iran’s more democratic aspects.

The supreme leader of Iran is the unquestioned leader of Iran, but “the second-highest-ranking official”³⁷⁰ is the semi-democratically elected president. The president of Iran is elected by “popular vote for up to two consecutive four-year terms.”³⁷¹ The president is allowed to appoint a cabinet, but this cabinet must be confirmed by parliament. Term limits and the confirmation of cabinet members, which are common practices in other democracies, create a veneer of democracy within Iran. The truth is who can run for president is a very small and selective group of people. For example, in 2017 of the 1,600 candidates that applied to run for president “only six men were allowed to run.”³⁷² Of these 1,600 candidates all 137 women that applied “were disqualified by

³⁶⁶ Ibid

³⁶⁷ Ibid

³⁶⁸ Ibid

³⁶⁹ Ibid

³⁷⁰ Ibid

³⁷¹ Ibid

³⁷² Ibid

the Guardian Council.”³⁷³ The process, while not entirely democratic, still allows the Iranian people to have a choice in their governments, albeit within a predetermined group of candidates. Rouhani won his reelection bid with 57 percent in an election with 70 percent turnout. His victory “appeared to reflect the choice of the electorate among the available candidates.”³⁷⁴

The vetting process of Iranian politicians is not just limited to presidential candidates. As one might assume the same criteria applies to hopeful candidates to Iran’s legislative body. Iranians are allowed to directly vote for members of the Iranian parliament (290-member body with 4-year terms) and the Assembly of Experts (86 member body with 8-year terms), but who can run for these positions must be “approved by the Guardian Council.”³⁷⁵ In the 2016 elections of all the candidates who applied to run in the parliamentary elections only 51 percent of the candidates were approved making it the “lowest figure to date.”³⁷⁶ The selection for the Assembly of Experts was even more undemocratic as only 20 percent of candidates were approved, “also a record low.”³⁷⁷ Moderates and reformists can be successful in Iran’s political system, the current president Rouhani is an example of moderate success, “the unelected components of the constitutional system represent a permanent barrier to opposition electoral victories and genuine rotations of power.”³⁷⁸ The Iranian regime is interesting to examine due to its juxtapositions. Iran is by no means a democratic society, but at the same time is not a totalitarian state. The positions

³⁷³ Ibid

³⁷⁴ Ibid

³⁷⁵ Ibid

³⁷⁶ Ibid

³⁷⁷ Ibid

³⁷⁸ Ibid

at the top are free from criticism and selected by a very small group of the population. The president, the second highest position in the country, is democratically elected but who can even be considered for president is selected by the supreme leaders and the guardian council. The same goes for positions in the Iranian parliament. Iran by western standards is far from democratic. However, relative to other regimes Iran allows for a fair amount of political participation from the public. This is important to note, because this modest amount of political participation allows for economic sanctions to produce a galvanizing effect. As economic turmoil continues Iranians can vote for different political leaders, protest in the streets, and have a limited effect on government policy. As mentioned before, a key element of Rouhani coming to power was Iranian discontent.

North Korea's Regime

North Korea is ranked one of the least free countries on the planet. While Iran's score of 17/100 is low compared to Western democracies, North Korea scores an astonishingly low 3/100.³⁷⁹ North Korea is a "one-party state led by a dynastic totalitarian dictatorship."³⁸⁰ Much of the country's power is consolidated within the chairman of the State Affairs Commission (SAC) Kim Jong-un."³⁸¹ Kim Jong-un also holds the highest position in the "National Defense Commission—previously the highest state body—and supreme commander of the Korean People's Army."³⁸² North Korea's political system consolidated a considerable amount of power at the top of the government; Kim Jong-un is the unquestioned ruler of the country.

³⁷⁹ North Korea. (n.d.). Retrieved August 27, 2020, from <https://freedomhouse.org/country/north-korea/freedom-world/2020>

³⁸⁰ Ibid

³⁸¹ Ibid

³⁸² Ibid

North Korea does have a unicameral legislature known as the Supreme People’s Assembly (SPA). The candidates for the SPA are “preselected”³⁸³ by the dominant Korean Workers’ Party (KWP) and smaller “subordinate parties”³⁸⁴ such as the Democratic Front for the Reunification of the Fatherland (DRFR). Once the candidate has been selected, they run in an uncontested election. North Koreans not only have no choice in who their candidate is, but they have no choice in whether they vote or not. Voting in North Korea is “compulsory”³⁸⁵ for citizens 17 years old and older. Turnout for these elections “commonly approaches 100 percent.”³⁸⁶ While these elections are not in the slightest democratic, they serve the purpose as an “unofficial census”³⁸⁷ to see who has voted. Those who choose to exercise their choice and do not vote can be charged with “treason.”³⁸⁸ North Korea, “effectively a one-party state,”³⁸⁹ not only restricts any meaningful elections, but also restricts “political participation”³⁹⁰ for citizens. Even members of the KWP have to be cautious and follow the party line for fears of repercussions. Members of the KWP are subject to regular purges. These purges designed to demonstrate Kim Jong-un’s “authority”³⁹¹ over the legislature. Members who are seen as disloyal can face harsh punishments such as being purged and even “executed.”³⁹² North Korea’s authoritarian government allows very little room for dissenting opinions. Punishments

³⁸³ Ibid

³⁸⁴ Ibid

³⁸⁵ Ibid

³⁸⁶ Ibid

³⁸⁷ Ibid

³⁸⁸ Ibid

³⁸⁹ Ibid

³⁹⁰ Ibid

³⁹¹ Ibid

³⁹² Ibid

are strict and arbitrary for individuals seen as subversive. Unlike Iran, with modest political participation, there is very little room for public dissent. Therefore, economic sanctions are unlikely to create a galvanizing effect among the population. While economic conditions are worse than that of Iran's so are the punishments for criticizing the regime.

Analysis of the Two Regimes

Both Iran and North Korea are authoritarian regimes. However, with a deeper analysis there are considerable differences between the two states. Most of Iran's political power lies in the hands of the Supreme Leader and the Guardian Council, but a significant amount of political power, most notably the position of president, is chosen by the people of Iran. Unlike many of Iran's neighbors, women can participate within the political process (assuming they are approved by the Guardian Council). While flawed, Iranians do have a method of changing governments that is somewhat democratic. Iranians also voice their discontent in more noticeable ways. Despite the dangers, Iranians are still motivated to protest when the government takes actions that harm them. For example, in November 2019 Iranians took to the streets to protest the increase in fuel prices and the overall "economic crisis driven by a combination of US-led trade sanctions and mismanagement by the regime."³⁹³ The Iranian regime holds considerable control over Iranians, but not absolute. For the Iranian regime to survive it is imperative for the regime to listen to the people. The modest political participation of Iranians has made economic

³⁹³ Ibid

sanctions more conducive to work. Therefore, economic sanctions are more effective at galvanizing Iranians and generate change.

On the other hand, North Korea is arguably the most authoritarian state in the world. Kim Jung-Un holds almost absolute power as the legislature and judicial branch are essentially rubber stamps. While there are limited avenues for the citizens of Iran to express their discontent, criticism of the Kim regime is often a death sentence. The government has an oppressive role in the lives of people. Therefore, it is unlikely that people can have a meaningful impact in how the government shapes policy. While economic sanctions have harmed the populace of North Korea it is unlikely to produce a meaningful movement due to the disproportionate response the government would provide. Therefore, it is unlikely that economic sanctions can galvanize the population of North Korea to spur change within the Kim regime and its nuclear program.

Conclusion

Main Findings

Economic sanctions have been successful in stopping Iran from pursuing their nuclear program thus far. Iran has conceded multiple times to the United States and the international community to halt the enrichment of uranium and the advancement of their nuclear program. The most notable example of Iran's concessions has been the signing of the Joint Comprehensive Plan of Action in which Iran agreed to halt and greatly reduce their nuclear program in return for substantial easing of economic sanctions. The second criteria has been met as Iran's economy has significantly worsened due to continued economic pressure from the United States and the international community. Iran's economy has significantly worsened due to continued economic pressure from the United States and the international community. Continued economic pressure has been paramount to bringing Iran to the negotiating table. While the United States and its regional allies do pose a military threat to Iran, that is unlikely a sufficient factor in dissuading Iran.

We have established that the level of political contestation in the targeted countries, their economic and security vulnerabilities, and the degree of international cooperation are important factors in determining if economic sanctions are effective at limiting nuclear proliferation. In Iran's case the regime, while authoritarian, allows for limited political contestation. The general public gets to elect the president (even if candidates are handpicked by the supreme leader). Iranians have been able to protest against the government. One goal of economic sanctions is to galvanize the general public against the government and their policy decisions. Iranians have indeed been

frustrated by the sanctions and voiced their discontent with the government policies targeted by the sanctions.

Iran's international environment is also conducive for economic sanctions to be effective. Iran is a regional power with an impressive arsenal of missiles and extensive network of proxy forces. Therefore, nuclear weapons are not imperative for Iran's defence. On the other end, Iran's economy is largely based on oil and gas exports. Integration into the global market is very important for Iranians and a vital source of revenue for the government. Economic sanctions have hurt the Iranian economy and therefore have hurt Iranians. The economic squeeze has brought Iran to the negotiating table in the past and will likely do so in the future. The international approach to Iran has been encompassing with the European Union and the United Kingdom taking a common stand with the United States in preventing Iran from acquiring nuclear weapons. Even after the United States left the JCPOA the EU and UK have attempted to develop mechanisms to provide Iran with economic incentives to keep Iran abiding to the JCPOA. Even though China has given Iran an economic lifeline there is tension within Iran over concerns of becoming too economically dependent on China.

Economic sanctions against North Korea have been unsuccessful in stopping its nuclear program. There have been modest concessions from North Korea, such as temporarily halting their nuclear program, but overall North Korea has expanded their nuclear program despite objections from the international community. Since the end of the Cold War North Korea has developed ICBM technology. There are cases of using sanctions, or the threat of using implementing them, that have changed North Korea's behaviour (even if only briefly). The most notable example is

the Banco Delta Asia incident where the threat of sanctions brought North Korea back to the Six-Party Talks. However, sanctions have not changed the overall attitude of the North Korean regime. In fact, one could argue that increased economic sanctions emboldened North Korea to take a hardline approach to their nuclear program. Lastly, there are other explanations to explain the occasional pause in North Korea's nuclear program. The most obvious is the role of China. China essentially keeps the regime afloat with economic and humanitarian aid. China has become openly critical of North Korea's nuclear program and has made statements about reducing aid as a result. While China has been accused of going soft on North Korea there is no doubt China holds a considerable amount of leverage over North Korea and could convince them to slow down nuclear testing.

Using the same four variables of our framework, we can see why economic sanctions have been ineffective in stopping North Korea's nuclear program. North Korea is one of, if not, the most authoritarian states on the planet. Even modest criticism of the regime or its leadership can result in harsh punishment including death. There is almost no political contestation at the level of the general public, which prevents the negative consequences of economic sanctions for the population from having an effect on the government policy. North Korea is a poor country. However, the insular nature of its economic system allows for North Korea to get by and is somewhat immune to economic sanctions. North Korea's largest trading partner is China, and China has shielded North Korea from harsher economic sanctions. There is no doubt that North Korea would benefit from the easing of economic sanctions, but security vulnerabilities North Korea faces, and the solutions nuclear weapons provide, are far too valuable. North Korea is situated between some of the largest militaries in the world and faces the heavy presence of the United States military in the region. Nuclear weapons are attractive to the North Korean government as a cheap and viable

solution to deal with its security problems. They serve as a strong deterrence against any invasion by outside powers.

North Korea has a very close relationship with China. Not only is China North Korea's largest trading partner, it also provides North Korea with a great deal of economic aid. For China, a North Korean collapse would cause a refugee crisis and the possibility of nuclear weapons ending in the wrong hands. Besides China, South Korea is interested in preventing the collapse of the Kim regime for many of the same reasons as China. Japan, Russia, and others have economic interests in North Korea which makes a coordinated international effort much more difficult than the efforts implemented against Iran.

Broad Implications

Stepping away from Iran and North Korea, what can we extrapolate about economic sanctions? Economic sanctions are a useful policy tool, but hardly enough on its own. Libya's nuclear program highlights the strength and weakness of economic sanctions. Economic sanctions imposed on Libya were successful in getting "Libya to renounce aiding terror and, later, its weapons of mass destruction programs."³⁹⁴ However, in the case of Libya there was a plethora of other policy tools, such as "back-channel negotiations, the Protection Security Initiative, and the unspoken threat of invasion after Operation Freedom."³⁹⁵ Thinking of economic sanctions as a tool that can solely fix any political problem would be misguided. There are limitations, as there are with every other policy tool, to economic sanctions. However, economic sanctions, in

³⁹⁴ Drezner, D. W. (2011). Sanctions Sometimes Smart: Targeted Sanctions in Theory and Practice. *Wiley on Behalf of The International Studies Association*, 13(1), 96-108. doi:<https://www.jstor.org/stable/23016144>, 103

³⁹⁵ Ibid

combination with other policy tools, can be an effective tool to “sustain pressure”³⁹⁶ on the target country to yield diplomatic concessions. Some examples of this include bringing “Cuba and Iran to the negotiating table, and [sanctions] contributed to Putin’s willingness to accept (if not fully implement) the Minsk II ceasefire agreement in Ukraine.”³⁹⁷

For economic sanctions to be effective in getting concessions from countries, there needs to be a “diplomatic dimension.”³⁹⁸ Even a state with tremendous economic clout, like the United States, needs international help in imposing sanctions. Going back to Iran and the successes there, we see decades of close coordination between the United States, the EU, and regional allies aiming for the same goal. The same cannot be said with the North Korean case. The United States was unable to move a potential adversary, China, into implementing similar sanctions (at least with regards to intensity of said sanctions). As China continues to rise and US influence begins to wane this will pose a serious challenge to US economic statecraft in the future. In order to combat this trend, the United States must reinvigorate existing alliances and develop coherent foreign policy goals. In addition, the United States needs to offer positive sanctions instead of implementing negative sanctions that are reasonable. The JCPOA is a great example of a give and take negotiation strategy that is more productive than the North Korean strategy of all or nothing. In

³⁹⁶ Jermano, J. (2018). Economic and Financial Sanctions in U.S. National Security Strategy. *Institute for National Strategic Security, National Defense University*, 7(4), 64-73. doi:<https://www.jstor.org/stable/10.2307/26542707>, 68

³⁹⁷ Binnendijk, H. (2016). U.S. Constraints Limit Assertiveness. In *Friends, Foes, and Future Directions*. RAND Corporation. doi:<https://www.jstor.org/stable/10.7249/j.ctt19jci3h.10>, 56

³⁹⁸ Carter, B. E., & Farha, R. M. (2013). Overview and Operation of the Evolving U.S. Financial Sanctions, Including the Example of Iran. *Proceedings of the ASIL Annual Meeting*, 107, 315-322. doi:10.5305/procanmeetasil.107.0315, 68

Iran's case, the effects of economic sanctions are palpable. Continued economic pressure has been paramount to bringing Iran to the negotiating table. Lastly, there are no alternative explanations that can explain Iran's actions that are as credible as economic sanctions. While the United States and its regional allies do pose a military threat to Iran, it is unlikely that that alone would dissuade Iran.

We have established that the economic/security vulnerabilities, international cooperation, and the limited political contestation are important factors in determining if economic sanctions will be effective at limiting nuclear proliferation. In Iran's case the regime, while authoritarian, allows for moderate influence from the general public. The general public gets to elect a new president (even if the candidates are handpicked by the supreme leader). This is a direct impact the citizens have on the regime. Another factor in Iran is the frequency in which Iranians protest the government over economic stagnation. While economic sanctions are one reason for Iran's worsening economic condition the general public still pressures the government to take action on the economy. One goal of economic sanctions is to galvanize the general public against the government and their policy decisions. While there are obstacles in place to prevent total freedom of speech there is enough room for Iranians to voice their discontent with the government and their policies. Due to Iranian's relative wealth being squandered by government mismanagement and economic sanctions there is a great deal for Iranians to protest about.

Iran's international standing is also ideal for economic sanctions to be effective. Iran is a regional power which confirms two things. Iran has amassed rival powers which has made cooperation with the United States in the region more ideal for smaller states who fear a nuclear

Iran. The other factor is that Iran is powerful enough that a collapse in the regime, and the subsequent humanitarian crisis seem like a remote possibility. The international approach to Iran has also been more encompassing with the European Union and the United Kingdom taking a vested interest in preventing Iran from acquiring nuclear weapons. The most notable example of this is the European Union and the United Kingdom taking a pivotal role in the formation and the maintenance of the JCPOA. Even after the United States left the JCPOA the EU and UK would attempt to develop mechanisms to provide Iran with economic incentives to keep Iran abiding to the JCPOA. Even though the rise of China throws the economic clout of the EU, UK, and US over Iran into question there is still a great deal the US and allies can do to inflict economic damage to Iran. Even though China has given Iran an economic lifeline there is tension within Iran over concerns of becoming too economically dependent on China. Already this closeness is causing troubles with other countries. South Korea's desire “of turning Iran into a regional hub for export of its goods and services into the wider Middle East and Central Asia”³⁹⁹ have been dashed as Iran move closer to China. The South Koreans have difficulties in seeing “how a U.S. ally can increase the strategic worth of a Chinese ally at a time when “sphere politics” is set for a strong comeback.”

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In North Korea there is almost no political contestation at the level of the general public which prevents the negative consequences of economic sanctions from having any effect on the government policy. The insular nature of its economy is attractive to the North Korean government

³⁹⁹ Diplomat, N. (2020, August 22). The Souring of Iran-South Korea Relations. Retrieved September 08, 2020, from https://thediplomat.com/2020/08/the-souring-of-iran-south-korea-relations/?fbclid=IwAR1lrhPjR_tXZb2w7Q-AJ2aGIU8w_joZs2V37O4lqIYzuA2AdNURuxQxoe8

⁴⁰⁰ Ibid

it serves as a strong deterrence against outside powers. North Korea has a very close relationship with China. Not only is China North Korea's largest trading partner, it also provides North Korea with a great deal of economic aid. Besides China, South Korea is interested in preventing the collapse of the Kim regime for many of the same reasons as China. Japan, Russia, and others have economic interests in North Korea which makes a coordinated international effort much more difficult than the efforts implemented against Iran.

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