“Today we use the term ‘the world’ with what amounts to brash familiarity. Too often in speaking of such things as the world food problem, the world health problem, world trade, world peace, and world government, we disregard the fact that ‘the world’ is a totality which in the domain of human problems constitutes the ultimate in degree of magnitude and degree of complexity. That is a fact, yes; but another fact is that almost every large problem today is, in truth, a world problem. Those two facts taken together provide thoughtful men with what might realistically be entitled ‘an introduction to humility’ in curing the world’s ills.”

— President Emeritus John Sloan Dickey,
1947 Convocation Address

World Outlook

An Undergraduate Journal
of International Affairs
at Dartmouth College

The Editors of World Outlook would like to express gratitude to the John Sloan Dickey Center for International Understanding for its encouragement and assistance.

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About the Journal:
World Outlook is a student-run journal of international affairs that publishes papers written by undergraduate students. In addition, the journal features interviews with major global thinkers and opinion pieces written by our own staff. Our name and missions are motivated by the words of late Dartmouth President John Sloan Dickey. Please visit our website at http://sites.dartmouth.edu/worldoutlook.

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Subscription Information:
World Outlook (ISSN 0895-7452) is published bi-annually. Subscription requests should be directed to WorldOutlook@Dartmouth.edu. All contributions are tax-deductible.

Submissions:
World Outlook welcomes all current and former Dartmouth undergraduate students to submit papers relating to any aspect of international affairs. World Outlook also welcomes submissions from undergraduate students and recent graduates from universities across the globe. All submissions are subject to the same editorial and formatting criteria. Papers to be considered for publication must be available in digital format. Papers should include references and bibliography consistent with the Chicago Manual of Style guidelines. Length should be under 7000 words, although outstanding works of greater length will be considered. Submissions must be original works with accurate citations. Submit your work for review to world.outlook@dartmouth.edu, and include your name, school, and class year. All submissions become property of World Outlook.

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Spring 2022 Issue 61

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Editor's Note

The Russian invasion of Ukraine might be the largest threat to the rules-based international order since the Cold War, if not World War II. In response to the war, countries have flooded Ukraine with humanitarian aid and military assistance. The United Nations, the World Bank, and other international bodies have taken steps to punish or ban Russia entirely. And powers such as the U.S. and European Union have crippled the Russian economy with sanctions. These actions have displayed the non-military toolkit countries and institutions have at their disposal to protect sovereignty. To try and learn more, we chose state sovereignty and economic statecraft to be the focus of this issue of World Outlook.

The issue begins with an interview with former Director of Central Intelligence John Deutch. Dr. Deutch provides insights into his career, the emergence of open-source intelligence, and America's role in the world. In our only editorial, *Modernity and Indigineity*, Price Phillips comments on indigeneity and sovereignty.

Then, shifting to discussions of economic statecraft, World Outlook boasts a line-up of fascinating and novel articles that provide useful context for today's foreign policy. *Provocative, but Effective? Extraterritorial Sanctions as a Tool for Achieving EU Compliance with U.S. Foreign Policy*, by Jennifer Lee, demonstrates how overlapping threat perceptions and relative economic costs define the effectiveness of extraterritorial sanctions. Next, in her paper *Shale Shock: Developing and Testing a Framework of Saudi Repression*, Sophia Swanson begins to answer the question: How are repression and economic statecraft related? Then, Max Bessler leads readers through the power of positive economic statecraft in *The Use of Economic Statecraft to Purchase Power: Structural Explanations of the Louisiana and Alaska Purchases*. *When Signals Matter: Factors that Determine Signaling Success*, by Thomas Brown, helps establish a framework for the effectiveness of signaling concerning sanctions regimes, a poorly studied and fascinating topic. Finally, *Weapons of Environmental Destruction: The Impact of UN-U.S. Sanctions on Iran*, by Tahlia Mullen, singles out sanctions as a primary perpetrator of environmental harm. According to Mullen, the negative externalities from sanctions on the Iranian environment are just beginning.

With the Russian invasion of Ukraine and persisting fear that China may invade Taiwan, we felt it appropriate to conclude the issue by returning to the topic of sovereignty. T*he Tragedy of Biafra: How Foreign Interests Caused Africa's Second-Deadliest War*, by Diego Alvarez de Lorenzana, provides a prescient warning about how imperial activities and violations of state sovereignty can have catastrophic consequences.

Reading and editing these papers has been a great pleasure. All provide valuable contributions to issues central to current discussions of statecraft. We hope you enjoy them and get as much out of reading them as we did editing them.

Sincerely,
Caleb Benjamin '23 and Ian Gill '23
Editors-in-Chief

Interview with former CIA Director John Deutch

John Deutch is an Institute Professor Emeritus at the Massachusetts Institute of Technology, where he has been a faculty member since 1970. Dr. Deutch has served in various prominent government and academic roles, including as the Under Secretary of Defense for Acquisitions and Technology from 1993 to 1994, Deputy Secretary of Defense from 1994 to 1995, and Director of the Central Intelligence Agency from 1995 to 1996. A scholar and prolific writer, Dr. Deutch has composed and published over 140 works in physical chemistry, in addition to his vast array of publications concerning technology, energy, international security, and public policy issues. Mr. Deutch's books include The Crisis in Energy Policy (Harvard University Press, 2021) and Making Technology Work: Applications in Energy and Environment (Cambridge University Press, 2003). In addition to his contributions to the academy and government, Mr. Deutch has served as a director for several private sector companies, including Citigroup, Raytheon Technologies Corporation, and Perkin-Elmer.

The Thayer School of Engineering and the John Sloan Dickey Center for International Understanding hosted Dr. Deutch at Dartmouth on April 18-19th, 2022. Editors Ian Gill '23, Sathvik Rayala '24, Adam Tobeck '25, and Maddie Shaw '25 conducted the following interview with Dr. Deutch on April 18th. The interview was edited for clarity and content.

What particularly propelled your interest in international affairs and security policy?

Well, I was born abroad, and I came to the United States just at the beginning of the second World War. So, I was always in a family in circumstances where international issues were important. I always had an interest in them right from the time that I was in high school. When I came to the U.S. and entered the first grade, I couldn't speak a word of English, so I had to reorient myself to become an American.

There's been discourse concerning a disconnect between academia and foreign policymaking. What are your thoughts on this? Do you think there is indeed a disconnect between the two and, if so, what do you think are the drivers of this disconnect?

Is it a disconnect with regard to all international matters, or is it a disconnect with climate? My general answer would be that the United States has always encouraged good relationships with individuals who have gone from universities to government work and back. There has always been an open door, but not as many individuals as we would like to see use it. The U.S. has always welcomed and understood the value of having academics involved in their work and I think that's still the case, although I think there may be cases where there's divisiveness or where there's an administration that's difficult. For example, the most recent case is the government wanting to constrain U.S. university activities regarding China and Chinese students.

AMERICA IS WITNESSING WHAT THE WALL STREET JOURNAL HAS CALLED A "NEW APPROACH TO PUBLIC INTELLIGENCE SHARING." THE WHITE HOUSE HAS CALLED THIS NEW INTELLIGENCE APPROACH "DOWNGRADE AND SHARE." WHAT ARE YOUR THOUGHTS ON THIS NEW APPROACH. WHAT IMPACT DO YOU BELIEVE IT WILL HAVE ON THE RUSSIAN INVASION OF UKRAINE AND FUTURE INTELLIGENCE SHARING PROCEDURES?

I will tell you that I believe the premise of the WSJ article is not correct—there's always been sharing of information with allies in times of conflict, depending upon the circumstances, for example, in the Serbian-Bosnian conflict. Sharing is always taking place and the way it's done depends upon the circumstances at the moment—so I don't think that there's any real change in direction there. You'd want the U.S. government to share information with allies as circumstances warrant it. Broader sharing with the public requires a balanced judgment about the effect that public discourse has on private peace negotiations that might be taking place.

SINCE YOUR TENURE AS THE DIRECTOR OF THE CIA, OPEN-SOURCE INTELLIGENCE (OSINT) HAS HAD A GROWING PRESENCE IN INTERNATIONAL AFFAIRS AND INTERNATIONAL INTELLIGENCE. DO YOU THINK THE INCREASING IMPORTANCE OF OSINT MAY PLACE PRESSURE ON AMERICAN INTELLIGENCE AGENCIES TO BE MORE TRANSPARENT?

It is a fact in the world that open source info has been exploding for the last 20-30 years, so fast that you can hardly mention how exponential it is. It is inevitable that intelligence communities or people that study intelligence matters will make larger and larger use of that open source info. It's a compelling trend that's a reality for every intelligence agency.

GIVEN YOUR ROLE AS DIRECTOR OF THE CIA DURING THE MID-1990S, COULD YOU DISCUSS SOME PERSONAL INSIGHTS INTO THE BOSNIAN WAR, PARTICULARLY REGARDING THE U.S.'S DECISION TO TAKE AN ACTIVE ROLE IN THE CONFLICT RESULTING IN NATO AIR STRIKES AND AN EVENTUAL PEACE SETTLEMENT. WHAT WAS IT LIKE TO LEAD THE CIA DURING THIS TIME?

I was both in the Defense Department and Director of the CIA during the Bosnian conflict that had only unfortunate human consequences. It took longer than it should have to be resolved into a politically stable solution. The Dayton accords were successful in achieving that, but dealing with the three governments – the Bosnians, the Serbians, and the Croatians – was very hard. They're very different and not friendly with each other, so it was a real challenge and took a lot of effort by the United States working with its NATO allies to bring some sort of peace. There was some change in the allied position from time to time. The original proposal made by the former Secretary of State [Cyrus] Vance and former Foreign Minister of the UK [Lord David] Owen said move people – change the boundaries and move the people. And there was a great reluctance to do that. It reflected a much more rapid and less painful solution.

During the Trump administration, the United States withdrew from the 2015 Paris Climate Accords. Although the Biden administration has rejoined the accords, the international community's disapproval of the withdrawal has raised doubts about America's leadership on the issue of climate change. What should America do to earn back the trust of the international community on this issue?
I'm going to take a different approach to the question. What you have here is a lesson that the U.S. policy can completely change, in this case, dramatically, due to an election. We have elections every 4 years, in the matters of congressional elections every 2 years – when you look back at history you have to expect that there will be these changes in U.S. political system.

The rise of China and the Trump administration have contributed to the weakening of America's international leadership. What would you recommend to American policymakers seeking to reinforce American leadership on the international stage in this decade, particularly concerningn the influence of China?
My response to China's continuing economic success and advancement is that it should warn the U.S. to pay attention to its economic expansion efforts. The lesson from the increase in Chinese influence due to their very aggressive innovation efforts should lead the U.S. to strengthen its innovation efforts. It's not so much that China has been doing evil or wrong or illegal things, it's that I think we have not been paying attention to our own needs to strengthen our own economic innovation capability. The bout of technical, illegal, illicit activities of the Chinese acquiring U.S. technology is a small fraction of the amount of success they've had at exploiting the open U.S. research and innovation system. So the question should be: What should we do about the fact that there's open access? Many things about access to the U.S. open system lets them become stronger and avoid efforts and expense that they would require, what we should do about that is a difficult question because it's not illicit. We have not paid enough attention to our own homework in these areas.

Given your vast array of experiences in government, academia, and the private sector, what advice would you give to undergraduate students looking to help shape international policy but are unsure about which of these fields would best enable them to do so?
I have great confidence that the young people in this country here, MIT, and Stanford, where I've just been for 3 months, are going to make decisive differences in government, the private sector, the economic sphere… There are examples in the past, but they're only examples. I'm sure the youth of today will make smarter, fairer, more equitable ways of doing thing.

Modernity and Indigeneity

Price Phillips

Introduction

It is impossible to understand notions of indigenousness without first grasping genealogical processes of modernity. Although it is important to remember that indigenous communities themselves did not request it, the conception of indigeneity is fundamentally one held in dialectic opposition to modernity (O'Connor 2016, 27). Since this birth of indigeneity, and as indigenous groups increasingly receive national and legal guarantors of recognized privileges, social scientists have begun to answer questions over the material ties to indigeneity: Does adopting modes of modern technology make groups "less indigenous?" If indigenous groups convert to imported religions, do they lose credibility? (ibid.) Such questions gain access to the foundation of indigeneity not as a form of objective measurement but instead a call to an epochal and tangible moment in time. Echoing these sentiments in his analysis of the Haitian Revolution, anthropologist Michel-Rolph Trouillot argues that "the past does not exist independently from the present… The past—or more accurately, pastness—is a position. Thus, in no way can we identify the past as past" (Trouillot 2015, 15). Indigeneity operates using the same techniques as modernity itself: inseparable from our current paradigmatic positionality and understanding, though itself a material human product of history. While indigenous groups are inextricably tied to the historical point of reference that is their first contact with Europeans, a subject discussed later in this paper, such a point of reference necessarily exists in this contemporary moment, demanding contemporary comparison.

Methodology

To conduct my research, I uncover historical cases representing the contrapositions of established cases. In some of these cases, such as the Pomors in Russia, there is an absence of clearly defined or agreed upon victimization. Many are fighting to this day to be fully recognized as indigenous. This research draws from the descriptive methodology of performing indigeneity by Laura R. Graham and H. Glenn Penny (2014), as well as that of Catherine Baglo (2014), emphasizing the interdisciplinary and multidisciplinary approaches that exist and consistently emphasize agency,

Price Phillips is a Master's student enrolled in the Theory and History of International Relations Programme at the London School of Economics and Political Science. He attended The American University School of International Service from 2018-21, graduating with a degree in International Studies. His upcoming Masters's dissertation at the LSE investigates the relationship of evangelical megachurches to local political bodies in the American Midwest, where he spent 18 years growing up.

self-conscious practice, and reflexivity.

While it has been argued that the discursive construction of indigenous persons fits kindly within a compartment of modernity, there exist clear difficulties synthesizing the two. Whether it be an asymmetrical understanding of land and property rights across states and indigenous communities, control over natural resources, or efforts towards environmental sustainability, using metrics familiar to the modern international legal order when discussing indigenous persons frequently leads to inadvertent policy outcomes (Ahren 2016, Ch. 9). The question of how the nation-state can best treat indigenous groups has been thoroughly discussed at the international level, placated on a series of agreements and treatises assigning special rights and self-determination properties to indigenous groups (ibid., Ch. 6). As material rights granted to indigenous groups are more firmly implemented, the following question arises: how did the discourse of indigenousness come about?

Today, being marked as indigenous most often requires the qualifications detailed in the 1981 Cobo Report, a key component of the United Nations Declaration on the Rights of Indigenous Peoples. The Cobo Report requires indigenous persons to have a "[h]istorical continuity with pre-invasion and pre-colonial societies that developed on their territories, consider themselves distinct from other sectors of the societies now prevailing on those territories, or parts of them" (1981). Numerous anticolonial scholars have pointed out key oversights in the Cobo report, namely the failure of indigeneity to shift away from recognition as just another kinship-based identity system, comparable to "a nation, people, or tribe" (Bens 2020, 5). So, how should institutions regard indigenous persons? The answer lies in what Edward Said described as "humanist liberation," or a return to the historical understanding that is gained through institutions humanizing and historicizing those that they attempt to measure and compartmentalize (Makdisi 2005).

My research was complicated by uncovering historical anomalies from the norm of indigenousness remaining static upon European discovery. The first anomaly is the existence of various contemporary Afro-Indigenous groups in Latin America made up of communities of former slaves forcibly brought to Latin America, including the Garifuna in Honduras and the Miskito in Nicaragua (Meringer 2010). Today, many of these groups are colloquially (and legally) referred to as indigenous yet are descendants of those imported as chattel to the New World well after the initial period of European colonization. In the Arctic, some communities were labeled indigenous long after contact was made during European colonization, such as the Sami peoples inhabiting areas in Norway and Sweden. These groups were listed as indigenous due to notions of cultural imperialism conducted by European powers, valuing indigenous culture as something to be preserved (Corson 1995).

Understanding Indigeneity

Grasping conceptions of indigeneity is impossible without either experiencing indigeneity oneself or distantly (yet procedurally) humanizing indigenous persons.

According to a 2002 United Nations report, there are over 300 million indigenous persons in the world. These groups live in over 70 countries as members of about 5,000 communities (United Nations 2002). At the international level, the treatment of indigenous persons remains non-standardized. Differences between de jure and de facto policies towards indigenous groups exist in nearly every country with a significant proportion of such communities, most commonly over questions of national assimilation, which naturally appeals to the institutional and bureaucratic nature of the nation-state (Varfolomeeva 2012, 69).

The solution, however, does not clearly lie at the supranational level. As mentioned earlier, there are unsolved criticisms leveled at how the United Nations has evolved to code indigeneity. The European Convention on Human Rights occasionally stands at odds with others in the international community over the description of indigenous peoples (Kirchner 2016, 13). This conflict comes to its greatest fruition within the judiciary, where protections are guaranteed to some groups on the margins of Europe but far fewer within the mainland (ibid., 2). In effect, the indigenous peoples' movement has formed into "…a global community of indigenous peoples determined to make human rights make a difference" (Carpenter and Riley 2013, 234). The movement has found its footing through the descriptive storytelling of European victimization of their communities, giving visceral accounts of the brutal effects of international colonialism.

The very existence of such a noticeable movement, traceable to the past 50 years, is itself anecdotal evidence of such brutality. Therefore, the differences between those that were colonized and those that practiced colonialism could serve as the firm line that international and state institutions have been attempting to find. However, there are also other metrics of indigeneity. Depending on the sociopolitical context, purely urban/rural splits can and have served as legal definitions for indigeneity, such as with the Kikuyu community in Central Kenya (Robertson 1997). Recently, the transition toward cultural imperialism has become a common unit of measurement for indigeneity. This transition has come to surpass even the physical violence imparted by colonial powers, the traditional means of defining indigeneity, as the existence of a coercive and forceful imposition of a given culture onto a preexisting one has grown into a key arbiter of indigeneity (Hiller and Carlson 2018, 45). Historically, such a context is tied to the geopolitics of the Cold War, where American media and government agencies became increasingly alarmed about Soviet assimilation projects in Siberian indigenous communities, despite lacking a clear history of violent human conflict in that region (Van Hoyweghen and Smis 2002, 59). This role of the global order concerning the temporal nature of indigenous groups is often overlooked by academics in international relations. In his article "Indigenous Peoples and International Law Issues," indigenous legal scholar S. James Anaya argued that scholars missing such a point leads to fissures in notions of state sovereignty, questions of the legitimacy of self-determination, and a failure to acknowledge "the role of non-state actors in international legal pressures" (1998, 96-98).

Indigeneity and Victimization

Therefore, I arrive at the current state of international indigenous jurisprudence. Victimization has become the key metric for codifying indigeneity, even if it has not been formally described as such. Suffering the effects of cultural imperialism imposed by a colonial power has become the de facto test of indigeneity in the world, a practice which human violence is argued to stem from. Such an argument over the socially coercive role of colonialism is partially what the Martinez Cobo definition appears to argue, and generally is how the definition is interpreted in international courts today (Musafiri 2012). This definition has been expanded by international institutions in recent years, namely with the 1989 International Labor Organization Indigenous and Tribal Peoples Convention as well as the 2007 United Nations Declaration on the Rights of Indigenous Peoples. Understanding this, Cobo's understanding of victimization has neither been expanded on nor fully eliminated, with practically no academic articles outside of specific case studies discussing a generalizable role that both cultural and human colonial oppression played not just towards indigenous groups as a point in history but also in the very creation of indigeneity as a historical concept.

It is worth noting, however, some possible oversights in this analysis. Thus far, this research may have given the appearance that only the same groups that coercively exported their systems of power were also able to export the critiques of it. Western bureaucratic institutions continue to play a massive role in the inclusion of indigenous groups in their own preferred channels of recognition, such as with supranational organizations or non-governmental organizations. However, this does not mean erasing the sovereign and anticolonial voices that have always existed within indigenous communities. It is an unfortunate circumstance of today's paradigm that forcibly reduces indigenous voices to the margins of international political discourse. In this research, I hope to convey the point that dominant discourses are by no means justified due to their position and would like to trace genealogical differences over time between narratives of indigenous human victimization and cultural victimization.

Indigeneity In The Arctic

So, where does the Arctic fit into this conception of indigeneity? Native Arctic communities have had some of the most difficult times in achieving recognition as indigenous, with most of the nearly four million indigenous persons living in the region only recently achieving legal recognition (Dubreuil 2011, 924). According to the national legal codes that most Arctic countries use to govern their indigenous populations, there is no reason for Arctic indigenous groups to be left out. However, just as the human understanding of indigeneity can best be understood with an understanding of victimization, so can common perceptions of non-indigeneity. There was less popular demand for Arctic communities, particularly in Asia and Europe, to become codified as indigenous because Arctic colonization was, for the most part, much less violent (ibid., 937). For much of the colonial period, namely following the Russian conquest of Siberia starting in 1850, Arctic indigenous communities were left to their own accord and were only required to participate in national assimilation projects such as adoption of the Russian language and school system. In addition, fewer resources and lower populations limited the Arctic to what it had an abundance of: territory to be claimed (Berkman 2012, 145). By the turn of the 20th century, the Arctic had become a geopolitical landscape under the close eye of the world powers at the time. When the specter of the Cold War guided military strategists to inspect every element of national security as zero-sum, the Arctic became immeasurably valuable. This paradigm did not only affect the Arctic landmass, however. In an effort to occupy land that could be used as a staging area for a future Soviet invasion, the Canadian government in 1953-55 forcibly relocated Inuit communities from the Eastern Hudson Bay to the High Arctic. In Russia, the 1582 Cossack colonization of Siberia led by Yermak led to a bloody and lasting campaign to potentially use as a point of reference for Siberian indigenous groups. However, the Russian rule over the area was generally lenient in terms of traditional notions of colonial oppression, although later Soviet doctrine was heavily assimilationist in terms of cultural policy.

Therefore, there was far less discourse on Arctic indigeneity until cultural imperialism became a legitimized discourse as a means for indigeneity (Bartels and Bartels 2006). During the Cold War, this notion of cultural imperialism became increasingly cited as a means of critiquing Soviet colonization and assimilation of indigenous groups. In such regions, while generally popular policies of collectivizing indigenous land ownership and stringent antislavery measures were passed, the Soviet Union undertook widespread assimilation policies. As mentioned earlier, such policies primarily featured standardized language and schooling reforms as well as ideological training (ibid., 273). As assimilation became a point of controversy for international audiences concerned with indigenous groups, indigenous Siberian groups were generally given widespread legitimacy in their claims. This was not true for all Siberian communities, however.

Representing the contrapositive position and the necessity that experienced victimization is to indigenous groups, the Pomors, a Siberian group seeking indigenous classification in Russia today, is still waiting for recognition. The Pomors' positivist claim stems from existing cultural practices, which mirror many other indigenous groups in their region of Siberia. However, such practices do not mirror their historical experiences with colonization, as the group is made up of ethnic Russian settlers native to Veliky Novgorod. These settlers themselves were a part of the Russians' colonial procedures during the conquest of Siberia; their claim to indigeneity has never been approved and thereby brings the argument for cultural practices as justification of indigeneity into question (Blockland and Reibler 2011).

Conclusion

Indigeneity as discourse is rooted in similar material notions produced by modernity as the ways of measuring it. Because recognizing the contributions and pain that indigenous groups have felt at the behest of their newfound countries is increasingly relevant today, there needs to be a better understanding of how indigeneity as a notion genealogically developed. In doing so, we need to return to our historical position of indigeneity. This means officially removing positivist contemporary qualifiers for indigeneity and finally giving historical legitimacy to the claims of and recognizing the violent atrocities or coercive behavior that colonial powers imparted upon indigenous groups. This position is no more relevant than in the Arctic, where the negotiated challenge to indigeneity continues to this day as groups not previously held under the international spectacle are coming to the forefront with their own stories of colonial experiences. It is imperative to recognize the importance of human and cultural victimization to us as humans in recognizing indigenous groups, and we need to demand that our international institutions do the same. If not, we run the risk of losing the histories and valuable stories of indigenous groups, eliminating a discourse that may provide us with alternatives to the system of modernity that produced the victimization in the first place.

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Provocative, but Effective? Extraterritorial Sanctions as a Tool for Achieving EU Compliance with U.S. Foreign Policy

Jennifer Lee

This paper examines the United States' use of extraterritorial sanctions against third parties in the European Union (EU). While "primary" sanctions prevent U.S. citizens and firms from doing business with companies or individuals in a target state, extraterritorial —or "secondary"— sanctions prohibit Americans from doing business not only with sanctioned firms and people, but also with any third parties that deal with them. As a result, extraterritorial sanctions constitute one of the most controversial tools the U.S. uses to execute its economic statecraft because they are often viewed as an affront to another nation's sovereignty. Given the EU's status as a U.S. ally, this paper seeks to answer the question: under what circumstances will the EU comply with U.S. extraterritorial sanctions? By conducting a comparative case study of three salient U.S.-EU extraterritorial sanctions cases—the Helms-Burton Act of 1996, the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, and the Siberian gas pipeline dispute of 1982—this paper argues that whether the EU complies with U.S. foreign policy objectives is based on a cost-benefit calculation of two main conditions. The first condition is the level of congruence between U.S.-EU security threat perceptions of the target state, and the second condition is the degree to which the economic costs of defying U.S. extraterritorial sanctions are greater than the benefits of continuing economic engagement with the target state. In sum, this paper demonstrates that, despite the provocative nature of U.S. extraterritorial sanctions, they generally achieve some compliance from the EU, suggesting that they may be a valuable tool for U.S. policymakers in the future.

Introduction

A "progressive divorce" due to "no longer speaking the same language" is how past European leaders have characterized U.S.-EU relations in reaction to the United States imposing extraterritorial sanctions on their firms (Jentleson 1986, 195). Yet, harsh words usually constitute just one part of the EU's response to the U.S.'s use of these aggressive measures. In the past, the EU has additionally issued "blocking" statutes to forbid EU citizens from complying with U.S. demands, as well as ordered "clawback" rights for EU individuals to recover any damages resulting from U.S. extraterritorial sanctions (Clark 1999, 82). The EU has previously initiated World Trade Organization (WTO) dispute settlement proceedings and, in the late twentieth century, it also threatened to withdraw from the Coordinating Committee for Multilateral Export Controls (CoCom) (Clark 1999, 82; Mastanduno 2002, 301). It is no secret that, when faced with extraterritorial sanctions, the EU's response is typically best described by one word: outrage.

Of all the tools the U.S. uses to execute its economic statecraft, extraterritorial

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sanctions are probably the most controversial or provocative. Unlike "primary" sanctions, which prevent U.S. citizens and firms from doing business with particular companies or individuals in a target state, extraterritorial—or "secondary" sanctions—bar Americans from doing business not only with sanctioned companies and people, but also with any third parties dealing with them (Lew and Nephew 2018, 141). At their core, extraterritorial sanctions attempt to induce foreign governments, corporations, and individuals abroad to forego economic activity with a target state to advance the foreign policy goals of the U.S. government. These measures are often imposed when the U.S. refuses to tolerate the limited sanctions of other states and wants to lead a comprehensive sanctions strategy devoid of divergence (Mastanduno 2002, 296). The U.S.'s desire for unity in its sanctions programs is often due to the fact that many states today have alternative trade and financial partners whom they can turn to in order to reduce the pain of U.S. sanctions (Martin 1992; McLean and Whang 2010, 427-447). As David Baldwin asserts, sanctions also tend to be more legitimate and powerful as a signaling device when they are enacted multilaterally (1985, 401). Since so many of the world's companies are involved in the U.S. financial system or conduct their business in U.S. dollars, extraterritorial sanctions allow U.S. policymakers to make use of American structural leverage (Lew and Nephew 2018, 142). However, by seeking to pressure these foreign actors to abide by sanctions that have been unilaterally adopted by the U.S., extraterritorial measures intrude upon the sovereignty of other states. As a result, U.S. extraterritorial sanctions elicit angry reactions.

Many scholars question whether traditional economic sanctions against a primary target "work" (Baldwin 1985; Galtung 1967, 378-416; Pape 1997, 90-136; Rowe 1999, 254-287). This paper explores this same line of questioning applied to extraterritorial sanctions against third parties. The EU—a political and economic bloc of 27 European countries—is significant because it has served as one of the U.S.'s most formidable allies since the end of World War II (WWII), helping the U.S. promote liberalism and maintain its hegemonic order. Thus, tension clearly exists between the U.S.'s desire for compliance from important allies such as the EU on its economic sanctions policy and its use of aggressive, unilateral extraterritorial sanctions to achieve this goal. If it is true that nothing outrages European leaders more than extraterritorial sanctions, one might expect the EU to be unwilling to comply with U.S. demands when the U.S. imposes these measures on European firms. But do we observe this in reality? This paper seeks to answer the question: *Under what circumstances will the EU comply with U.S. extraterritorial sanctions?* By "compliance," I specifically refer to the EU compromising or taking actions that help advance U.S. policy goals that, absent extraterritorial sanctions, it otherwise would not have carried out. Whether foreign companies choose to comply with U.S. secondary sanctions is also important to consider. However, this paper will focus on the larger issue of when states comply due to the increasingly significant role that multilateralism plays in both confronting transnational problems and advancing U.S. national interests (Patrick 2002, 2).

Previous Scholarship on Extraterritorial Sanctions and Compliance

Most of the literature on extraterritorial sanctions exists in the field of international law, with various scholars debating the central question of whether these measures are legal. Scholars such as Harry Clark note that under the "foreign state compulsion doctrine" of international law, a country is not allowed to prevent a person or firm from taking action in another country that is required by the laws of that country (Clark 1999, 92). Daniel Marcus similarly argues foreign companies are not U.S. nationals, and thus cannot be subject to U.S. jurisdiction under the "nationality" principle of international law (1983, 1165-1166). Seen in this light, secondary sanctions are arguably illegal because the U.S. does not possess the power to regulate outside its territory. On the other hand, Tom Ruys and Cedric Ryngaert contend that even without a strong territorial or national connection with the U.S., extraterritorial sanctions could nevertheless be justified under the "protective" or "security" principle, which permits jurisdiction "over aliens for acts done abroad which affect the internal or external security of other key interests of the state" (2020, 26). In other words, if secondary sanctions are implemented on the premise that they are necessary to protect U.S. national security, then they could be seen as legal.

The legal context of extraterritorial sanctions is useful for understanding their controversial nature, but it only raises the stakes of investigating European responses to U.S. demands because, if these measures are truly so coercive, why would the EU ever comply with them? A range of answers might follow, with some expecting a nearly complete lack of willingness to comply due to secondary sanctions being overly provocative (Joffe 1983, 574-575). Others might argue that the EU will fully comply because of how powerful the United States is—the EU lacks a military and is economically weaker than the U.S., so it might want to preserve positive relations and thus reap both security and economic benefits from the alliance (Gegout 2010, 37). I advance a middle-ground approach by arguing that the EU will comply with U.S. demands only under certain security and economic conditions.

A Framework for Analyzing EU Compliance with U.S. Extraterritorial Sanctions

In the following sections of this paper, I conduct a comparative study of three salient cases in which the U.S. imposed extraterritorial sanctions on European individuals and firms: the Cuba Liberty and Democratic Solidarity Act (commonly known as the Helms-Burton Act) of 1996, the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) of 2010, and the Siberian gas pipeline dispute of 1982. These three cases are particularly valuable because they provide variation across time. Namely, they enable analysis of EU compliance in Cold War versus post-Cold War environments. The Cold War essentially created a well-defined enemy in the eyes of the Western allies and, as a result, U.S. and EU threat perceptions in this environment might have been more congruent (Jentleson 1986, 180). In contrast, in a non-Cold War context, threat perceptions might be less aligned with each other—the

U.S. is geopolitically stronger than the EU, so without a well-established, common enemy, what the U.S. perceives as a security issue may not ring true for the EU. As such, by focusing on extraterritorial sanctions involving different countries and time periods, this paper aims to draw comprehensive conclusions about EU compliance with U.S. extraterritorial sanctions.

I contend that whether the EU complies is based on a cost-benefit calculation of two main conditions: first, the level of congruence between U.S.-EU security threat perceptions of the target state, and second, the degree to which the economic costs of defying U.S. extraterritorial sanctions are greater than the benefits of continuing economic engagement with the target state. I argue that these two variables are fundamental in driving EU behavior under extraterritorial sanctions because ensuring security and economic prosperity are two crucial priorities for any government. The sheer power of the U.S. economy and the dollar as the global reserve currency may mean that European states must comply with the U.S. to varying degrees (Cohen 2018, 98-99; Pieper 2017, 109). If the relative costs of defiance are high and the EU and U.S.'s stance toward the primary target of U.S. sanctions is similar, the EU might initially voice its annoyance with extraterritorial measures, but ultimately agree to some compliance. This reasoning serves as the foundation for the expectations listed in Table 1 (see Appendix).

If the EU believes the primary target state is a high-level security threat and the relative economic costs of defying U.S. extraterritorial sanctions is high, then it may be much more likely to comply than if the primary target state is not a significant security threat and the economic costs of defying U.S. secondary sanctions is low compared to the benefits of continuing business with the target state. Furthermore, I expect that the EU is most likely to meaningfully comply when U.S.-EU security threat perceptions of the target state are highly congruent and the economic costs to the EU of defying U.S. extraterritorial sanctions are relatively high compared to the benefits of continuing economic engagement with the target state. In contrast, I expect the EU to be least likely to comply when security threat perception congruence is low and the relative costs of disobeying U.S. extraterritorial sanctions are greater than the benefits of continuing business with the target state. When U.S.-EU security threat perception congruence and the relative economic costs to the EU of resisting U.S. demands are neither high nor low, and thus stand at a medium level, I anticipate the EU to comply moderately.

Case 1: Helms-Burton Act (1996)

The U.S. economic embargo against Cuba remains the longest and most comprehensive sanctions regime in United States history. Beginning in 1962, the U.S. embargo has sought to achieve a myriad of goals, ranging from regime change to signaling U.S. intolerance for Castro's human rights abuses and domestic politics to the rest of the world (Baldwin 1985, 183). In order to increase Cuba's economic pain and legitimize the embargo, the U.S. tried to enlist multilateral support for its policy. While the Western Europeans agreed to restrict the exportation of weapons, they were unwilling to join the U.S. embargo and impose broad sanctions on the Cuban economy. It soon became clear that, with the economic and political support of the Soviet Union, Castro was not going to surrender. By the 1970s, trade between Western Europe and Cuba expanded. Frustrated by the lack of multilateral support for the U.S. embargo of Cuba, the U.S. ultimately resorted to pursuing its comprehensive embargo unilaterally (Mastanduno 2002, 304). Following the end of the Cold War and the collapse of the Soviet Union, something changed. Cuba had lost its primary source of trade and economic aid, and the U.S. recognized this vulnerability as an opportunity to inflict maximum pain on the Cuban economy and push Fidel Castro toward reform. In 1992, the Cuba Democracy Act asserted restrictions on trade between Cuba and U.S. subsidiaries abroad. Although these measures impacted $700 million in trade, the majority of Cuba's $5 billion annual trade was conducted with foreign firms that were not subsidiaries of U.S. companies (ibid., 305).

Following increased political pressure from Cuban Americans living in Florida and Cuba's shooting down of two unarmed American planes, Congress passed the Helms-Burton Act in March 1996 (Vermulst and Driessen 1998, 81). Title III of the act allows U.S. individuals or firms to sue "traffickers" —those who participate in or profit from the trafficking of property confiscated or nationalized from U.S. citizens in Cuba after 1959— in U.S. courts (Clark 1999, 74). Title IV of the act also denies entrance into the U.S. by "aliens who traffic in confiscated property that is subject to a claim by a U.S. person" (ibid., 74-75). The provision applies to executives of foreign firms and their families (Mastanduno 2002, 305). The Helms-Burton Act seeks to deter foreign investment in and trade with Cuba by ordering the U.S. executive branch to impose extraterritorial sanctions on foreign firms and individuals.

I. Compliance?

The The EU forcefully objected to U.S. extraterritorial sanctions, as exemplified by both its diplomatic indignation and harsh countermeasures. In October 1996, the EU initiated WTO dispute settlement proceedings against the Helms-Burton Act and the broader U.S. embargo of Cuba, alleging that U.S. extraterritorial sanctions violated EU members' rights under the General Agreement on Tariffs and Trade 1994 and the General Agreement on Trade in Services to export to Cuba (Davidson 1998, 1434). In November 1996, the EU issued Council Regulation 2271/96, which introduced four principal countermeasures: compliance "blocking," non-recognition of judgments, "clawback" rights, and reporting requirements (ibid.). This range of countermeasures essentially prohibited EU individuals and firms from complying with U.S. extraterritorial sanctions, even encouraging them to recover any damages caused by U.S. policy. Indeed, the Austrian government threatened legal action against Bawag, a large Austrian bank, after it decided to comply with U.S. regulations (Giumelli 2016, 72-73). In July 1997, the EU initiated an investigation of the Italian company STET due to its agreement to compensate the US group ITT for its use of the Cuban telephone system (Clark 1999, 83).

Worried about possible escalation, President Clinton used his waiver authority under the Helms-Burton Act to suspend Title III for an initial period of six months. This allowed Washington and Brussels to begin negotiations, culminating in the EU adopting a "Common Position" on Cuba that emphasized an EU policy of advancing Cuba's transition to "pluralist democracy and respect for human rights and fundamental freedoms" (Common Position of 2 December 1996). In return, Clinton continued suspending Title III. In May 1998, the U.S. and EU reached an understanding on the illegal use of expropriated property as a global concern. The EU suspended its WTO case, but maintained its countermeasures (Smis and Van der Borght 1991, 231-233). Thus, the EU ultimately decided against joining the U.S.'s economic embargo of Cuba. However, short of full compliance with U.S. extraterritorial sanctions, the EU's Common Position suggests that it became more willing to help promote a different U.S. policy goal: democratic change in Havana. As such, in the case of the Helms-Burton Act, the EU displayed a low level of compliance with the U.S.'s broader policy agenda.

II. U.S.-EU Security Threat Perceptions

For the U.S., Cuba has long posed a high-level security threat. After the Cuban Revolution, increased Soviet involvement on the island was seen as an intrusion into the U.S.'s sphere of influence in the Western Hemisphere (Baldwin 1985, 192). Given the history of the Cuban Missile Crisis and the construction of missile launch facilities in Cuba during the Cold War, a successful communist government supported by the Soviet Union threatened U.S. national security and the Western liberal order. Especially considering Cuba's geographic proximity to the United States, officials in Washington were determined to contain communist influence. In fact, in the years leading up to the Soviet Union's dissolution, the U.S. under President Reagan favored an increasingly maximalist strategy toward its Eastern enemy (Jentleson 1986, 37-38). Even after the Cold War, Cuba remained high on the U.S. government's list of national security threats, largely driven by continued violations of the Cuban airspace and the fear that Castro would seek to export revolution to other countries in their shared hemisphere (Baldwin 1985, 64).

Meanwhile, Cuba posed a very low-level security threat to the EU. Located on the opposite side of the Atlantic Ocean, Cuba simply did not present the same type of imminent threat as the Soviet Union did to neighboring European states during the Cold War. The Soviet Union also possessed significantly stronger nuclear capabilities than Cuba (Giumelli 2016, 64). Considering how the EU's strategy for dealing with the Soviet Union before its collapse was one of détente, its approach toward the smaller, militarily weaker, and more distant Cuba in the post-Cold War era was understandably less hostile than the U.S. policy (Jentleson 1986, 37). When the U.S. imposed extraterritorial sanctions on European firms, the EU felt it had little to gain from joining the U.S. embargo; forgoing investment and trade in Cuba would only hurt European economic interests and achieve essentially none of the EU's security goals.

III. Relative Economic Costs of EU Defiance

Yet, even the relative economic costs to the EU of defying U.S. extraterritorial sanctions were fairly low, primarily due to the EU's understanding that Clinton was hesitant about actually implementing sanctions under Helms-Burton. The driving force for extraterritorial sanctions came from a Republican-led Congress, not the executive branch (Giumelli 2016, 72). After signing Helms-Burton into law, Clinton immediately signaled to the EU that he was willing to negotiate a compromise, as evidenced by his suspension of Title III at the same time his administration began sanctioning foreign firms under Title IV (Mastanduno 2002, 308). This recognition of Clinton's reluctance to pursue Congress's extraterritorial wishes altered the Europeans' calculation of the relative economic costs of defiance. Their thinking effectively became: "if the U.S. is not serious about imposing extraterritorial sanctions, then we can keep doing business with Cuba and not worry about the consequences." Therefore, even though Title III claims against European firms totaled almost $2 billion by 1996, the EU viewed the costs of defying U.S. extraterritorial sanctions as low given that the Clinton administration was not completely intent on allowing those claims in practice (ibid., 309). Emboldened by this understanding, the EU was able to stiffen its resistance to U.S. secondary sanctions and reject U.S. demands to economically isolate Cuba.

IV. Explaining Low-Level Compliance

With low U.S.-EU security threat perception congruence and low relative costs of EU defiance, the Europeans exhibited minimal compliance with U.S. extraterritorial sanctions. The outrage that usually accompanies reactions to extraterritorial measures was somewhat subdued by the EU's awareness that Clinton was forced by Congress to wield this coercive weapon. The EU negotiated with the Clinton administration to dissuade the U.S. from sanctioning European businesses (Meagher 2020, 1012). As a result, an opening emerged for the EU to shift its position on other aspects of U.S. foreign policy—in this case, helping the U.S. promote democracy in Cuba. Furthermore, as predicted by Table 1, the combination of low U.S.-EU security threat perception congruence and low relative costs of EU defiance resulted in minimal compliance by the EU.

Case 2: CISADA (2010)

September 11, 2001, marked a turning point in U.S. officials' willingness to exercise economic statecraft for coercive purposes. Under President George W. Bush and the U.S. war on terrorism, the U.S. Treasury began a comprehensive campaign to make it costlier for terrorists to raise and move money by designating certain banks as "bad" under Section 311 of the Patriot Act. By targeting banks that supported terrorist groups, the U.S. sought to transform the norms of global financial exchange such that no reputable bank would ever want to be caught facilitating illicit financial activity. Iran was a primary target of the Treasury's campaign. The U.S. has imposed sanctions on Iran since the 1979 hostage crisis and, throughout the 1990s, the U.S. banned all trade with and investment in Iran due to its sponsorship of terrorism and ongoing attempts to develop nuclear weapons. The U.S. identified Iran's Bank Saderat as a principal target in 2003 with the goal of weakening the country's ability to fund its nuclear program and make payments to Hezbollah terrorist cells around the world (Zarate 2013, 292).

Throughout the mid-2000s, however, the Iranian nuclear program became an even more high-profile international issue following the revelation of the uranium enrichment facility at Natanz and the International Atomic Energy Agency (IAEA) report that Iran was not complying with the Comprehensive Safeguards Agreement in 2005. The United Nations Security Council (UNSC) adopted resolutions under Chapter VII of the UN Charter, imposing sanctions on Iran to hamper its ability to acquire equipment, technology, and finances for nuclear enrichment (Han 2018, 138). Following President Obama's failed attempts to achieve a diplomatic deal and the discovery of a covert nuclear facility at Qom on September 6, 2009, the U.S. stepped up its sanctions regime (Zarate 2013, 328). On July 1, 2010, President Obama signed the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA), which extraterritorially restricted foreign firms' exports of gasoline, petroleum, and refinery-related products to Iran (Van de Graaf 2013, 148). Given that Iran's oil industry is the country's main source of revenue, CISADA attempted to strip Iran of its ability to fund and execute its nuclear development programs. Additionally, considering how Iran's energy sector serves as the state's primary point of access to foreign markets and countries, CISADA sought to disarm Iran of its ultimate defense against traditional sanctions. CISADA restricted financing to Iranian entities, including oil-related transactions with Iran's central bank, Bank Markazi. Specifically, Section 104 of CISADA enabled the U.S. to turn off foreign bank access to the U.S. if those foreign banks were caught processing transactions for U.S.-designated Iranian financial institutions (Nephew 2018, 336). The message to the rest of the world was clear: "If you want to do business in the United States, you must stop doing business with Iran" (Zarate 2013, 336).

I. Compliance?

The EU did not resist U.S. extraterritorial sanctions or complain about their enforcement, as it did in the case of Helms-Burton. The Council of the EU released a decision on July 26, 2010, prohibiting European investment in the Iranian oil and gas sector, as well as the provision of key nuclear enrichment technology. The European energy sector quickly responded, with the U.S. State Department announcing on September 30, 2010, that European oil giants such as Royal Dutch Shell and ENI reduced their ties to Iran (ibid., 337). In April 2011, the EU passed the mandate requiring all Iranian oil imports to end by July 1, 2012. The EU also called for the Society for Worldwide Interbank Financial Telecommunication (SWIFT) to unplug Iranian banks from the international financial messaging system (ibid., 338). Additionally, the EU banned the opening of new Iranian bank branches in member states and the sale or purchase of Iranian government and bank bonds (Patterson 2013, 135). Clearly, the EU meaningfully complied.

II. U.S.-EU Security Threat Perceptions

After 9/11, both the U.S. and EU increasingly viewed Iran's proliferation activity and support for terrorist groups as a significant security threat. In particular, the compound effect of Iran's expansion of centrifuge capacity at Natanz and the discovery of the site at Qom was the EU's perception that Iran was serious about acquiring weapons of mass destruction (WMD) (ibid., 138). European officials became especially concerned that Iran's development of a nuclear weapon could spark a destabilizing arms race in the nearby Persian Gulf region, which holds the majority of global oil reserves upon which the European continent depends (ibid.). These concerns were amplified by the IAEA's assertion that there were "possible military dimensions to Iran's nuclear program" (Dupont 2012, 304). Furthermore, the EU feared that failure to halt Iran's nuclear program could lead to preemptive war by Israel, particularly given Iranian President Ahmadinejad's repeated Holocaust denials (Lohmann 2016, 932). From the European perspective, such military conflicts could also exacerbate the EU's ongoing migration crisis and create new domestic security problems for its member states.

The EU's view of Iran as a high-level security threat at the time of CISADA's enactment stands in stark contrast to its position under the Iran-Libya Sanctions Act (ILSA) of 1996. While the U.S. throughout the 1990s continued to view Iran as a "rogue" state that dangerously supported international terrorism and developed WMD, the EU was not so convinced (Mastanduno 2002, 311). The EU agreed to maintain export controls of sensitive technologies for WMD, but without any clear revelation of Iran's clandestine nuclear programs, the EU did not deem Iran a legitimate nuclear threat that warranted complete economic containment (Lohmann 2016, 932). The difference between the EU's position on Iran under CISADA versus the ILSA reveals how U.S.-EU security threat perception congruence has increased. Therefore, with a high degree of U.S.-EU security threat perception congruence under CISADA, the EU felt that enlisting in the U.S's financial war against Iran's illicit activity was necessary to defuse the state's explicit nuclear weapons ambitions. As such, the EU did not react as harshly to U.S. extraterritorial sanctions in this case; instead, it meaningfully complied.

III. Relative Economic Costs of EU Defiance

Under CISADA, the relative economic costs of EU defiance were incredibly high. Trade with Iran was valuable, but these connections were far outweighed by the importance of European access to U.S. financial markets. The sheer size of the U.S. market and the fact that many of the biggest clearance banks operate in New York impacted the Europeans' calculus: if they continued business with Iran, they would not only risk important access to U.S. banks, firms, and technologies, but also send the message that they were facilitating Iran's support for terror and the development of the Iranian nuclear program (Zarate 2013, 297). Although the official impetus for CISADA came from Congress rather than the executive branch, President Obama had made it clear that his administration was fully prepared to act on these extraterritorial sanctions. In September 2010, the U.S. added the German-based European-Iranian Trade Bank AG to its blacklist, and in 2012, the British bank Standard Chartered was fined $340 million for its hidden transactions with Iran (ibid., 332). Thus, unlike Helms-Burton, the EU understood that the relative economic costs of defiance were much higher than any benefits gained by continued trade with Iran. The EU subsequently decided to comply with U.S. demands.

IV. Explaining Low-Level Compliance

U.S. extraterritorial sanctions under CISADA coerced the EU into essentially full compliance. The combination of high-level U.S.-EU security threat perception congruence and high relative costs of defying U.S. sanctions compelled the EU to refrain from enacting countermeasures or taking the U.S. to the WTO, as it did under Helms-Burton. In fact, the EU did more than just comply with U.S. sanctions—it even created its own list of designated entities associated with Iranian proliferation. By May 19, 2011, over one hundred firms were placed on the EU list (Zarate 2013, 339).

Some might contend that a key contextual factor better explains the EU's meaningful compliance with U.S. demands: the legitimacy afforded to the Treasury's campaign by previous UN resolutions. Indeed, just a month prior to CISADA's enactment, the UNSC passed Resolution 1929, which increased scrutiny of Iranian banks and firms (ibid., 331). Yet, if one ponders a counterfactual situation in which there were no UN resolutions to bolster U.S. extraterritorial sanctions, the severity of the economic costs of EU defiance would have remained remarkably high, and the discovery of Iran's covert nuclear sites would have still been sufficient to increase European perceptions of the Islamic Republic as a high-level security threat. Therefore, while additional UN resolutions helped justify sanctions against Iran, they were not as fundamental in driving EU compliance as U.S.-EU security threat perception congruence and the relative costs of violating U.S. extraterritorial measures.

Case 3: Siberian Pipeline Sanctions (1981-1982)

Two weeks after the imposition of martial law in Poland on December 13, 1981, the Reagan administration launched an embargo against the Soviet Union, covering American oil and gas equipment necessary for the construction of the Siberian natural gas pipeline. The pipeline was to stretch from the reserves of the Yamal Peninsula in western Siberia to homes and factories throughout Western Europe.

The construction of the pipeline depended mostly on contracts between the Soviet Union and key EU member states, including West Germany, France, Italy, and the United Kingdom. Moreover, European firms were supplying energy technology to build the pipeline, and in return these countries would receive Soviet natural gas (Jentleson 1986, 183). Importantly, most of the technology sold to the Soviet Union was produced under license from American firms such as General Electric (GE) or under subsidiaries of U.S. companies. In his pronouncement of the embargo, Reagan emphasized two objectives: the symbolic goal of expressing Western anger and the more concrete aim of helping the Polish by compelling the Soviets and certain members of the Polish government to end their repression (ibid., 172-173).

However, in reality, the U.S. was mostly concerned that the increasing dependence on Soviet energy would make its European allies susceptible to Soviet political influence. Indeed, by 1990, the Soviet share of Western Europe's natural gas consumption increased from 10 to as high as 18 percent (Mastanduno 1992, 247). Additionally, the U.S. was concerned the Soviets would use the hard currency earnings from their natural gas exports—which were projected to be $10 billion per year—to finance the modernization of the Soviet military and industrial sector (Jentleson 1986, 200). While European leaders joined the U.S. in condemning the Soviet Union's actions in Poland, they stopped short of joining the U.S. embargo on energy technology. The Europeans adopted limited sanctions on manufactured Soviet goods and luxury products (Martin 1992, 213). Less than a month after the Polish coup, the French natural gas company Gaz de France, with the support of the French government, signed a long-term gas import contract with the Soviet Union (Shambaugh 1999, 82).

Due to frustrations resulting from repeated failed attempts to convince its European allies to join the pipeline embargo, the Reagan administration announced on June 18, 1982, that it would extraterritorially apply its export controls of American energy equipment and technology to European subsidiaries of American companies. The U.S. would also apply these extraterritorial sanctions to European companies producing under license from American firms and to European companies using American-made parts. Penalties for violating these sanctions included denial of trading privileges with the U.S., fines of up to $100,000 for each infraction, and ten-year prison sentences for executives of offending companies (Jentleson 1986, 194). Thus, Reagan's imposition of these extraterritorial measures signified a clear unilateral attempt to block construction of the pipeline by pushing the Europeans to abandon their contracts.

I. Compliance?

The Europeans responded with outcry. They formally protested the U.S.'s "unacceptable interference" in their sovereign affairs (ibid., 195). The British, French, Italian, and West German governments all challenged U.S. extraterritorial sanctions by appealing to national laws to order their companies to fulfill their pipeline contracts. On August 2, Secretary of State for Trade Lord Cockfield invoked the Protection of Trading Interests Act, which prohibited certain British companies from complying with U.S. sanctions. The French government reinstated a wartime ordinance act, directing French companies to fulfill their contracts and threatening the requisition of certain corporate facilities should contracts be abandoned (Shambaugh 2000, 99). The West German government openly encouraged its firms to make its equipment deliveries on time, while the Italian government declared that their contracts with the Soviets would be respected. Furthermore, many prominent European firms such as John Brown Engineering and Dresser-France continued to export their pipeline parts to the Soviets in direct defiance of U.S. extraterritorial sanctions (Martin 1992, 221).

After nearly five months of confrontation and deadlock, the U.S. rescinded its extraterritorial sanctions in exchange for the EU's agreement to a series of studies on the potential risks of East-West trade for alliance security (Mastanduno 2002, 302). The Europeans agreed only to hold off on new contracts for Soviet gas until the results from a study conducted by the International Energy Agency (IEA) were released. After the IEA issued its study in May 1983, the Europeans responded with a broad statement acknowledging "the potential risks associated with high levels of dependence on single supplier countries" and an agreement "to ensure that no one producer is in a position to exercise monopoly control" (Jentleson 1986, 197). The Europeans also agreed to participate in three other studies to be conducted by the Organization for Economic Cooperation and Development (OECD), CoCom, and NATO. However, at no point did the Europeans agree to be bound by the findings and recommendations of these studies. As a matter of fact, in the ensuing five months of the IEA's study, major energy trade contracts signed between European firms and the Soviet Union totaled more than $1.5 billion (ibid.). The EU's level of compliance with U.S. demands was therefore very minimal. For the Reagan administration, the IEA study served as a face-saving maneuver to demonstrate that extraterritorial sanctions were not for nothing, while for the EU, agreeing to studies on East-West energy trade was a small sacrifice to make in exchange for the lifting of U.S. sanctions.

II. U.S.-EU Security Threat Perceptions

When Reagan decided to impose extraterritorial sanctions, both sides of the Atlantic viewed the Soviet Union as a high-level security threat. In the context of the Cold War and the nuclear arms race between the U.S. and the Soviet Union, high geopolitical and ideological tension manifested itself in NATO's deployment of intermediate-range nuclear missiles on European soil and the continued presence of over 400,000 Soviet troops in East Germany following WWII (Jentleson 1986, 21; Newnham 1999, 428). For particular EU member states such as West Germany, the Soviet Union thus posed the direct threat of military intervention. Even prior to the imposition of martial law in Poland, the U.S. and EU member states had expressed fears of a potential Soviet invasion to suppress dissent from the Polish labor union (Solidarity) (Martin 1992, 206). When the Polish government eventually declared martial law and imprisoned many of Solidarity's leaders, both U.S. and European officials alleged that the Soviets were directly responsible (ibid., 208). Moreover, both the U.S. and the EU agreed that the Soviet Union was a common adversary and that the main purpose of their alliance was collective security.

However, arguments made by European leaders in favor of the pipeline contracts reveal how the U.S. and the EU's respective security threat perceptions of the Soviet Union diverged due to their differing views on how to counteract the Soviet threat. Their disagreement stemmed from the central question of whether détente and defense were complementary or contradictory strategies for dealing with the Soviets. The U.S. perceived détente and defense as contradictory, viewing the Soviet Union as an "evil empire" armed with nuclear warheads and dangerously bent on totalitarianism that needed to be contained (ibid., 220). In contrast, the EU believed that détente was necessary to avoid a military conflict that, if fought, would likely use European territory as its battleground (Jentleson 1986, 180). West Germany in particular deemed détente important for the sake of potential German reunification, as well as for proving its post-WWII commitment to being a responsible member of the international community. The Europeans thus viewed the Americans as excessively susceptible to escalation. As the president of the European Parliament stated: Europeans reject "the thesis prevalent in the [American] administration that the West is in a state of permanent conflict with the Soviet Union" (ibid., 221).

The EU's view of détente and defense as complementary thus informed its position that the Siberian pipeline was less of a security threat than the U.S. claimed. Three main reasons drove the EU's stance. First, the Europeans actually thought the pipeline would strengthen their security by diversifying their energy imports. Given their structural position in the world economy as energy consumers plus the oil shocks of 1973 and 1999, the Europeans viewed the diversification of their energy import portfolios as a high priority (Martin 1992, 230). By providing gas rather than oil to the EU, the Siberian pipeline satisfied this need. The Europeans also believed that helping to develop Soviet gas reserves would reduce the incentive for Soviet intervention in the Persian Gulf (Mastanduno 1992, 248). Second, the EU had already developed some "safety net" measures prior to U.S. extraterritorial sanctions to protect against any Soviet security threat, particularly vulnerability to a Soviet gas embargo. Measures included the construction of gas storage facilities as strategic reserves and surge capacity contracts with the Dutch and Norwegians (Jentleson 1986, 191). Third, irrespective of such measures, the Europeans doubted that the Soviets would impose a gas embargo. 30% of Soviet machinery imports originated from the West, so Soviet leaders were unlikely to jeopardize crucial economic relations solely for political gain (ibid., 223). The EU viewed the pipeline as a way to bolster its energy security and ease tensions with the Soviets, thereby enhancing its overall security. The EU's approach to dealing with the Soviet Union decreased U.S.-EU security threat perception congruence from a high to medium level. It thus becomes clear why the Europeans were unwilling to acquiesce to U.S. demands under extraterritorial sanctions—full compliance would have jeopardized their own security objectives.

III. Relative Economic Costs of EU Defiance

While EU defiance would have been economically risky due to many European firms' reliance on American equipment and technology, the Europeans still stood to lose a significant amount of money from the cancellation of their pipeline contracts (Martin 1992, 234). Amid the recession of the early 1980s, unemployment across Western Europe soared, and traditional heavy industries struggled to stay afloat. Firms such as West Germany's AEG-Telefunken had not earned a profit since 1976—company officials estimated that the pipeline contracts would provide up to 25,000 jobs over a two-year period. Additionally, France's Creusot-Loire and West Germany's Mannesmann won a contract valued at $1 billion to install compressor stations. Italy's Nuovo Pignone won a $900 million contract for both compressor stations and turbines (Mastanduno 1992, 249). These Soviet contracts served as a crucial source of revenue for many European firms.

Comparing the value of the pipeline contracts to the volume of European trade to the U.S. in pipeline-related goods further demonstrates the benefits the EU stood to lose from forgoing economic engagement with the Soviet Union. West German contracts were valued at $840 million, British contracts amounted to $135 million, and French contracts totaled $615 million. In comparison, total exports to the U.S. from producers in West Germany, Great Britain, and France equaled $556 million, $121 million, and $184 million, respectively (Shambaugh 2000, 90). Hence, the value of Soviet contracts to the Europeans was considerable. The relative costs of violating U.S. secondary sanctions during the pipeline dispute were also not as grave as those under CISADA, a case where increasing globalization made it more imperative for states to retain access to the U.S. market and dollar (Lew and Nephew 2018, 141). Whereas U.S. extraterritorial measures in 2010 threatened to shut the EU out of the entire American financial system, the pipeline sanctions focused primarily on export controls. The relative economic costs of EU defiance of the pipeline sanctions were therefore moderate.

IV. Explaining Low-Level Compliance

The Siberian pipeline case is puzzling because, unlike Helms-Burton and CISADA, the observed level of EU compliance does not match what would be expected based on Table 1. Specifically, both the moderate relative costs of EU defiance and medium-level U.S.-EU security threat perception congruence should have led to moderate EU compliance with extraterritorial sanctions. Instead, the EU's compliance was minimal: it agreed to conduct studies on the risks of East-West trade but offered no commitment to abide by their findings. Similar to Clinton under Helms-Burton, the EU's agreement to these studies allowed Reagan to save face and claim some success. However, for the Europeans, this action was merely a small price to pay in exchange for the lifting of U.S. extraterritorial sanctions. The security and material influence of U.S. extraterritorial sanctions in this case should have compelled the EU to agree to more than just a series of nonbinding studies.

What explains this anomaly in EU behavior? Two contextual factors emerge. First, the fact that the Siberian pipeline sanctions were, until that point, the most aggressive case of U.S. extraterritorial measures meant that the EU perceived them as an especially egregious violation of European sovereignty. Given its position as a Western ally opposing a common Eastern enemy, the EU took great offense at this perceived breach of friendship. The significance of this "shock" factor becomes particularly apparent when one compares the Siberian pipeline case to CISADA. In the pipeline case, the impetus for the extraterritorial measures came from the executive branch; thus, the EU knew that Reagan was serious about punishing sanctions violators. Under CISADA, the Obama administration similarly made it clear that the U.S. would carry out these sanctions. The difference between these two cases is the EU's level of shock at the U.S.'s unilateral exercise of power. By the time the U.S. launched its sanctions campaign against Iran, the EU had already grown accustomed to U.S. extraterritorial measures. U.S. secondary sanctions had become baked into U.S.-EU negotiations—something to expect. Furthermore, absent the shock factor, the security threat posed by the Soviet Union and the relative economic costs of EU defiance would have been salient enough for the EU to comply. The EU may not have complied fully, but it would have complied more than it did.

A second contextual factor in this case was Reagan's refusal to impose a grain embargo on the Soviet Union. The Europeans claimed that it was hypocritical for Reagan to demand them to cease energy exports while the U.S. simultaneously sold grain to the Soviets (Martin 1992, 2015). However, in reality, the absence of a U.S. grain embargo merely provided the EU with the political excuse needed to justify its rejection of U.S. demands. To put it another way, if the U.S. actually had imposed a grain embargo on the Soviet Union, then the EU would have simply lost this talking point even as the Soviet security threat and relative economic costs of defiance remained. The EU would have still been offended by these extraterritorial measures, but the security and economic conditions in this case would have been meaningful enough to make the EU set aside some of its anger and moderately comply with U.S. demands.

Conclusion

The preceding cases demonstrate how when targeted with measures as coercive as U.S. extraterritorial sanctions, the EU does comply. The EU's level of compliance, however, depends on two fundamental conditions: (1) the degree of U.S.-EU security threat perception congruence and (2) the relative economic costs of EU defiance of U.S. secondary sanctions. The interplay between these conditions is illustrated in Table 2 (see Appendix).

When both U.S.-EU security threat perception congruence and the costs of EU defiance are low, as seen with Helms-Burton, the EU complies minimally. When both U.S.-EU security threat perception congruence and the costs of EU defiance are high, as was the case with CISADA, the EU meaningfully complies with U.S. demands. The levels of EU compliance in these two cases support the predictions in Table 1. The Siberian pipeline case tells a slightly different story. In that case, two contextual factors—the shock of Reagan's executive action and the U.S.'s unwillingness to impose a grain embargo on the Soviets—contributed to the EU's minimal compliance. Yet, counterfactual analysis demonstrates how, absent these factors, the medium-level U.S.-EU security threat perception congruence and the moderate relative economic costs of EU defiance would have led the Europeans to comply more than they did—not fully with U.S. demands but instead at a moderate level. These security and economic conditions are therefore still fundamental in driving levels of EU compliance with U.S. extraterritorial sanctions. Furthermore, the main finding of this paper is that, despite the outrage provoked by their use, U.S. extraterritorial sanctions do indeed achieve some compliance from third parties such as the EU. In all three cases studied, the EU demonstrated at least some sensitivity to U.S. policy goals and agreed to compromises that would have been unlikely without extraterritorial sanctions. This finding counters claims that secondary sanctions are too coercive to be useful. Secondary sanctions may be provocative, but they can be effective in coercing third parties to comply with certain aspects of the U.S.'s foreign policy agenda.

However, the next logical question to ask is: at what cost is this compliance achieved? Extraterritorial sanctions are still a public affront to states' sovereignty. The anger often characterizing the EU's reaction suggests that there are significant diplomatic costs to U.S. extraterritorial sanctions, such as resentment toward the U.S. or a loss of mutual trust. This loss in diplomatic reputation can translate into similar losses for U.S.-based firms who become seen as unreliable. For instance, following the Siberian pipeline dispute, some European firms in the energy sector reduced their dependence on U.S. technology and firms as a source of supply (Mastanduno 1992, 318). Therefore, perhaps the most profound risk of U.S. extraterritorial sanctions is that states will find ways to avoid enforcement by diverting business away from the U.S. economy and financial system. Indeed, after withdrawing from the Iran nuclear deal, President Trump reimposed extraterritorial sanctions on the EU, leading to talks between the Europeans and the Iranian government about methods for circumventing the dollar-based financial system (Lew and Nephew 2018, 147). In this way, U.S. extraterritorial sanctions could lose their effectiveness.

On the other hand, this comparative case study shows how third parties learn over time to expect U.S. extraterritorial sanctions—as seen in the comparison between the pipeline case and CISADA. It further demonstrates how this learning effect can contribute to states being more open to compliance given the appropriate security and economic conditions. As long as the American banking system and dollar remain central to the functioning of the world economy, high relative economic costs of EU defiance will likely continue to compel the EU to comply. Given how security threat perceptions can also increase over time, as observed when comparing the EU's view of Iran under ILSA versus CISADA, it is also possible that there may be future opportunities for extraterritorial sanctions to be effective. Regardless, any benefits garnered by EU compliance with U.S. secondary sanctions must be weighed against their costs, and doing so makes it evident that imposing extraterritorial sanctions is still, on the whole, a risky foreign policy for the U.S. to pursue.

In the same way that U.S. policymakers need to consider alternatives to economic statecraft to achieve their own foreign policy objectives, they must also consider different techniques of statecraft to convince other states to work toward U.S. policy goals. As Baldwin writes, "Imposing unilateral sanctions is one thing, but clumsy efforts to twist arms to get other countries to follow suit is another" (1985, 195). Though propaganda, diplomatic channels, and even military options exist, it seems that, in practice, the U.S. still resorts to extraterritorial sanctions to coerce third parties into compliance (Erlanger 2021). Further research should explore whether the "learning effect" of U.S. extraterritorial sanctions produces more blow back due to increasing resentment toward the United States or instead leads third parties to begrudgingly comply, at least to some degree. Additionally, to gain more comprehensive insights into the effectiveness of U.S. extraterritorial sanctions as a form of economic statecraft, subsequent research should investigate whether fundamental security and economic conditions similarly impact the levels of compliance exhibited by the U.S.'s adversaries or non-traditional allies faced with extraterritorial sanctions.

Appendix

Table 1: Expected Interaction of U.S.-EU Security Threat Perception Congruence and Relative Economic Costs of Defiance in EU Calculus for Compliance

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Degree of U.S.-EU Security Threat Perception Congruence

Relative Economic Costs to the EU of Defying U.S. Extraterritorial Sanctions		Low	Medium	High
	Low	Minimal compliance		
	Medium		Moderate compliance	
	High			Meaningful compliance

Table 2: Observed Interaction of U.S.-EU Security Threat Perception Congruence and Relative Economic Costs of Defiance in EU Calculus for Compliance

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Degree of U.S.-EU Security Threat Perception Congruence

Relative Economic Costs to the EU of Defying U.S. Extraterritorial Sanctions		Low	Medium	High
	Low	Minimal compliance (Helms-Burton)		
	Medium		Minimal compliance (Siberian pipeline)	
	High			Meaningful compliance (CISADA)

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Shale Shock: Developing and Testing a Framework of Saudi Repression

Sophia Swanson

What are the implications of the U.S. unconventional energy revolution for human rights in Saudi Arabia? While international level assessments propose various degrees of resulting U.S. leverage over its traditional security partner, domestic level analyses remain confined to a consensus view that the Saudi regime can withstand changes in the global oil market better than other oil-exporting countries. But external perceptions of regime stability may not match those of the royal family. Drawing from the propositions of the "resource curse" literature, the article examines how the vulnerabilities of an oil-dominated economy may influence decisions to silence critical voices and key actors. The article proposes a framework including three plausible effects of the U.S. unconventional energy revolution, hypothesizing that while domestic level effects encourage repression, the international level effect forces progress. Using annual human rights reports on Saudi Arabia, the article then tests an underexamined link of the framework: whether lower oil prices, even across a short time frame, correlate with crackdowns. Finding little evidence for this relationship, the article concludes that although the regime appears resilient to short-term price shocks, unabated repression in the fallout of the 2014-2016 crash indicates anxieties over a long-term market effect. Although the U.S. cannot settle for shale, the framework contains important lessons for U.S. economic statecraft, including its exertion of a new source of power, understanding of Saudi threat perception, and response to future factors impacting the global oil market.

Introduction

Since the late 2000s, the modernization and combination of two technologies—horizontal drilling and hydraulic fracturing—have catapulted the U.S. to new prominence in the global energy market. Shale gas production increased by over 50% annually between 2007 and 2014 (Blackwill and Harris 2016, 205), accounting for 8% of U.S. production of natural gas in 2007 and 79% in 2021 (ibid., 206; USEIA 2021). Shale oil production, particularly important for U.S.-Middle Eastern relations, rose by 56% between 2008 and 2014, "an increase that, in absolute terms, is larger than the total output of each of eight of the twelve OPEC countries" (ibid., 206). The influx propelled a 77% overall oil production increase during the same time period (Ibid, 206). These trends, driving increasing energy exports and declining imports since 2005 (USEIA 2021), have allowed the U.S. to assume the mantle of the world's top oil producer, surpassing Saudi Arabia and Russia (Elliott and Santiago 2019). Furthermore, in 2019, the U.S. became a net total energy exporter (USEIA 2021).

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The trends of the "unconventional energy revolution" have remained fairly stable (U.S. Department of Energy 2021), but not to the same extent as the U.S.-Saudi "special relationship," which has influenced the global energy market for nearly a century. "Oil for security," the term coined to sum up U.S.-Saudi relations, overlooks the roles of anticolonial rhetoric, anti-Communist ideology, market access, strategic location, and religious identity, but the label has stuck (Bronson 2006, 23). The approximately 90-year partnership between the world's preeminent military power and (former) preeminent oil producer has withstood terrorist attacks, price spats, and a slew of human rights violations. Saudi abuses—including repression of critics (U.S. Office of the Director of National Intelligence 2021; Schenkkan and Linzer 2021, 31-34), arbitrary arrests and detentions (ALQST for Human Rights 2021), gender-based restrictions (Beckerle 2016), and torture (ALQST for Human Rights 2021)—have spanned from founder Ibn Saud to the current Crown Prince, Mohammed bin Salman (MBS). Since the early 1980s, NGOs have criticized the U.S.'s failure to reprimand Saudi Arabia due to economic and security interests, as well as the "reassuring and profitable" nature of doing business with a "small, stable, entrenched elite" (Freedom House 1985). Pressure has escalated since MBS ordered the assassination of Jamal Khashoggi in 2018, while the amount and proportion of imported oil from Saudi Arabia has declined. Biden entered office intending to recalibrate the relationship (Sanger 2021), but the Saudis—who remain the U.S.'s largest military arms customer (United States Department of State 2020)—have concluded that the administration's rhetoric lacks conviction (Kelly 2021). If the energy revolution meets some analysts' expectations, it presents an opportunity to exercise newfound leverage over the U.S.'s autocratic partner and demonstrate a credible commitment to human rights.

This paper addresses the consequences of the U.S. energy revolution for the human rights situation in Saudi Arabia, focusing on how the vulnerabilities of an oil-dominated economy can influence decisions to repress critical voices and key actors. First, I identify a gap in the literature regarding the domestic implications of the shale oil revolution. Then, drawing on existing scholarship, I propose a framework of how the short- and long-term effects of increased oil supply in the global market may motivate the regime to increase repression. Afterwards, using annual human rights reports on Saudi Arabia, I investigate one underexamined link of the framework: whether lower oil prices, even across a short time frame, correlate with crackdowns on potential domestic threats to regime stability. Although I find little evidence in support of this correlation for early crashes, the 2014-2016 crash appears to confirm some relationship between price and repression. The framework carries important lessons for U.S. economic statecraft, including its leverage of the energy revolution, understanding of Saudi threat perception, and response to future factors impacting the oil market.

The International Debate and (Underexamined) Domestic Debate

When attempting to exert leverage, policymakers must consider the characteristics and status of their target as much as they focus on their power bases and arsenal of policy tools (Tostensen and Bull 2002; Nephew 2018). Yet, in comparison to the international effect literature, which considers whether the U.S. can derive the requisite leverage to influence Saudi decision-making, scholarship on the domestic effects of the U.S. energy revolution remains underdeveloped.

A general consensus has emerged that Saudi Arabia's regime is likely more resilient to the shale revolution than other oil-exporting countries like Venezuela, Iran, and Russia, with only a few academics challenging (Setser and Frank 2017). From that premise, many have suggested that the Saudi Arabian regime is vulnerable to long-term reduced crude oil prices and revenue (perhaps caused by shale), but largely dismiss the possibility of short- or medium-term oil price shocks (caused by shale or a different factor) having an impact on regime stability (Blackwill and Harris 2016; Rundell 2022; Westphal, Overhaus, and Steinberg 2014; Sons 2018, 129; Feldstein 2014). As Robert Blackwill and Jennifer Harris write, citing 2015 IMF numbers:

> Analysts warn that Saudi Arabia's long-term fiscal position is not sustainable, and prolonged slack in the price of oil will eventually test Riyadh's ability to maintain the public services that are an important basis for the regime's legitimacy. But this would take many years, given the kingdom's enormous insurance policy in the form of another geoeconomics instrument: its roughly $700 billion in holdings of foreign exchange reserves (Blackwill and Harris 2016, 211).

Fewer still have drawn a connection between oil-based vulnerability in Saudi Arabia and repression, although scholarship in the spirit of the "oil curse" (Ross 2001) has demonstrated relationships between oil price shocks and civil conflict in Nigeria and Colombia (Nwokolo 2021; Dube and Vargas 2013). Instead of focusing on the nexus between oil and abuse, most have written about waves of Saudi repression caused by security factors (Wilcke 2009), "pragmatic sectarianism" (Louër and Rundell 2020), and the personality of its leaders (Khashoggi 2017; Kirchgaessner 2021; Hope and Scheck 2021). There are a few exceptions: David Rundell, the former Chief of Mission at the American Embassy in Riyadh, describes the relationship between reform and high-level repression, and Chatham House analysts have put forth three possible scenarios given oversupply of the oil market, including a period of internal repression in OPEC states (Stevens and Hulbert 2012). Still, answering whether we should take for granted the imperviousness of the Saudi regime to short- and medium-term oil price declines—or, at least, the leadership's low levels of perceived threat in response to them—has important implications. American policymakers must understand the full effects of the shale oil revolution to capitalize on this potential opportunity for leverage and craft effective responses to human rights incidents.

The Framework

My proposed framework includes three plausible effects on repression resulting from the U.S. unconventional energy revolution: a long-term leverage effect, a long-term market effect, and a short-term price effect. The central hypothesis is the following: on the international level, shale oil can grant the U.S. greater independence from Saudi Arabia. Equipped with new leverage, willing American presidents can apply pressure regarding human rights and reduce repression. On the domestic level, two pro-repression effects occur simultaneously. Both center on anticipation, which plays a unique role in the oil market and weighs heavily in the decision-making of autocrats prioritizing their regime's stability (Feldstein 2014). Shale oil, as a long-term additional supply in the global energy market, may represent a fundamental threat to the Saudi "rentier state" model, requiring both a massive reform of the system and repression of stakeholders with the most to lose. However, shale oil has also contributed to short-term price windfalls. When faced with downward price shocks, in anticipation of reduced oil revenues, fiscal deficits, and constrained ability to distribute oil-backed benefits, the Saudi government turns to repression to uphold its image and pre-empt mass unrest.

Experts have discussed elements of this framework to various extents. Underlying the framework, the premises are three-fold: the energy revolution will affect the calculus of traditional oil-producing states; economic statecraft can affect the price of crude oil; and oil undergirds Saudi Arabia's social contract and political economy.

First, regardless of the debate over how much leverage the shale oil revolution will grant the U.S. over Saudi Arabia, few deny that increased supply—even oversupply—in the energy market has affected Saudi leaders' decision-making. Most observers agree that decision-making in 2014-2016, the first significant oil crash since U.S. fracking began in earnest, marked a strategic re-prioritization away from oil price control and towards market share, even if they disagree on whether Saudi Arabia welcomed such a shift.

Second, the historical record indicates that economic statecraft by oil-producing states can have intentional and significant effects on crude oil prices. As an early example, in 1986, frustrated by OPEC partners' failures to observe production quotas, "Saudi Arabia and its allies undertook to produce their 'fair share' and let price fall as a consequence" (Gately, Adelman, and Griffin 1986, 237). More recently, Russia and Saudi Arabia have engaged in an "oil price war," as prices spiraled after an "OPEC+" deal unraveled in 2020 (Raval, Sheppard, and Brower 2020). In general, Saudi Arabia, as the traditional "swing producer"—given its key geopolitical advantage of having more spare capacity than any private company or other OPEC member—has sought to maintain price stability (Rundell 2022, 221). Namely, it aims to "keep prices above a lower bound that would discourage a healthy degree of investment and competition among suppliers and below an upper bound that would begin to erode long-term oil demand" (Livingston, Claes, and Goldthau 2015).

American economic statecraft has also caused shifts in the energy market and therefore oil prices. For example, U.S. sanctions have spiked prices at times (Congressional Research Service 2020; Carlson 2018; Rundell 2022, 221), and President Trump threatened to reduce defense spending in an attempt to influence OPEC behavior and oil prices in 2018 (Carlson 2018). Additionally, although the U.S. government and producers cannot directly affect production and prices to the same extent as Saudi Aramco and OPEC, American presidents have tried to leverage shale production to decrease consumer prices. In late 2021, facing seven-year highs in gas prices (Rovnick et al. 2021), the Biden administration contacted oil industry representatives in search of a solution (Wall Street Journal 2021). Although COVID-19's abrupt interruption and shale producers' aversion to low prices have obscured some of the long-term effects of the shale revolution, many have predicted a sustained decline in prices, following the logic of supply and demand. In addition, shale has contributed to short-term price drops, especially in 2014-2016.

Third, Saudi Arabia serves as the "prototype of the classical 'rentier state." (Sons 2018, 126). The Al Saud's social contract involves deploying "high oil revenues to provide widespread welfare allocation to several strata of the society" in exchange for compliance and stability (ibid., 125). They have endowed themselves with "eudemonic legitimacy" (from "economic well-being and provision of social welfare") and proven their ability to "boost massively the national identity and social status of their citizens" (Davidson 2013, 49-50). Furthermore, as Rundell explains, "the Saudi people have accepted and, in fact, supported the Al Saud monarchy, not simply because of its historic role in creating the nation, but also because of the broad coalition of stakeholders that it has built" (Rundell 2022, 91). That coalition has been forged through clever plays by Ibn Saud, politically-oriented Wahhabi doctrines, and "their own determined will to power" (ibid., 91). And oil has greased its gears.

Through oil revenues, the Al Saud has constructed an "opaque system of client networks among:" the rural tribes (led by sheikhs) which once threatened to divide the kingdom; the Wahhabi clerics (ulama) which provide justification for the Al Saud's power; the merchant class which runs the economy; the technocrats who oversee the distribution of oil rents; and the royal family itself (Sons 2018, 126). As examples, the Saudi Arabian National Guard serves as a tribal social safety net, providing "training, jobs, and pensions to tens of thousands of tribesmen," as well as healthcare for their extended families (Rundell 2022, 104). Under King Faisal, oil revenues became the primary source of religious funding, and "the ulama acquired regular salaries and control over new institutions with generous budgets, large staffs, and formal regulations to enforce" (ibid., 116). The merchant class has welcomed government contracts, "heavily subsidized power and water, free healthcare for their foreign labor force, and tariff protection" (ibid., 130). The technocrats reap civil-service benefits. Royal family members receive monthly stipends, although the Al Saud has been the most important "distributor of wealth rather than an extractor, and arguably this remains the central pillar of monarchical survival"(Davidson 2013, 49). Finally, paved roads, imported cars, newspapers, phones, water, healthcare, education, and electricity stem from "massive, oil-funded government intervention into the lives of ordinary Saudis, which gave them all a stake in the state's survival" (Rundell 2022, 141).

Oil continues to loom large in the Saudi political economy, despite a new diversification campaign. In 2020, "petroleum exports accounted for nearly 70% of the country's total exports in terms of value… and about 53% of the Saudi government's revenues were oil-based" (U.S. Department of Energy 2021), making mild progress from 2016 (U.S. Department of Energy 2017). Furthermore, in 2017, 42% of employed Saudis worked directly for the government, seeking the public sector's "high pay and lenient demands" (Hani and Lopesciolo 2021, 6). The nationality breakdown of the private sector is also revealing: "only 18.6% of private sector jobs in Saudi Arabia [are] held by Saudi nationals" (ibid.), with expatriates composing the remainder and receiving lower pay and benefits. This model has positioned the Saudi government on the extreme end of wages as a percent of the total government spending of a nation (IMF 2021).

I. The Long-Term Leverage Effect

Experts and policymakers have argued that newfound energy abundance has and will continue to have dramatic effects on the political and economic balance of power, which may give the U.S. room to pressure the Saudis on human rights (Blackwill and Harris 2016; Blackwill and O'Sullivan 2014, 102-114; O'Sullivan 2017; Yergin 2014; Bremmer and Hersh 2013; Morse 2016; Krauss 2018). With regards to OPEC, many have pointed to the 2014-2016 oil price drop as an inflection point in the shale revolution, U.S.-OPEC relations, and OPEC strategy (Blackwill and Harris 2016; Fattough and Sen 2015, 23; Alvarez and Di Nono 2017; Baffes, Kose, and Ohnsorge 2015). In their analysis of the drop and partial rebalancing afterwards, economists at the European Central Bank conclude that "[s]hale oil is the key novel factor affecting the structure of the oil market and influencing OPEC's decisions whether to target price stabilization or market share" (Alvarez and Di Nono 2017, 57). Throughout 2015, as Blackwill and Harris emphasize, OPEC's sustained production ceiling of 30 million barrels per day, despite low demand and a supply glut, demonstrated a re-prioritization of market share over price stability (Blackwill and Harris 2016, 28). Even those who argue that the December 2016 agreement to cut production "should not be misunderstood as an OPEC defeat" concede the likelihood that shale has permanently increased energy sector competition (Ansari 2017, 166-178). Most of these arguments have come from outside the kingdom, but in 2013, billionaire Prince Alwaleed bin Talal sent an open letter to the Saudi oil minister warning that the U.S.'s supply constrains Saudi Arabia's ability to increase its crude production. Regarding threats of retaliation for U.S. punishment of human rights violations, experts have concluded that "Saudi Arabia has no leverage" due to the U.S.'s grip on its economy and the fact that U.S. imports of Saudi oil have halved in the past decade (Wald 2018). In fact, in the first week of 2021, the U.S. did not import any Saudi crude for the first time in 35 years (Tobben and Lee 2021). Some have argued that reduced dependence on Saudi

Arabia has already made a difference on security issues, pointing to President Obama's negotiation of the Joint Comprehensive Plan of Action (JCPOA) with Iran, Saudi Arabia's long-time foe (Hope and Scheck 2021, 320-321). In sum, through reduced dependence on foreign oil and an increased share in the global energy market, shale can empower rights-defending economic and diplomatic statecraft.

Others have contended the energy revolution will have little advantageous effect for the U.S., both broadly and in its bilateral relationship with Saudi Arabia (Sfakianakis 2021). While some in this camp recognize the geopolitical potential of shale, they also emphasize the distinctiveness of the Saudis: due to their impressive savings and low production costs, they are shielded from downward price effects (Claes, Goldthau, and Livingston 2015; see also The Economist 2014; Feldstein 2014). The Saudis have, predictably, announced that the kingdom benefits from shale; the deputy oil minister stated at a 2013 conference that "The kingdom welcomes new resources of energy supplies" (Fineren 2013). Observers have added that a new emphasis on market share, in addition to passing on the "swing producer" burden to the North American shale industry, better positions the kingdom in the long run (Claes, Goldthau, and Livingston 2015). Some have taken a middle route: acknowledging that shale has helped protect the U.S. and the price of oil from supply disruptions, while arguing that the 2020 price war between Saudi Arabia and Russia points to new vulnerabilities for the U.S. as a target, especially given the shale oil industry's high sensitivity to price (Bordoff 2019; Bordoff 2020). With regards to leverage on human rights, Saudi Arabia's advantage in proven oil reserves indicates that "even the shale oil revolution can't wean Washington off its despotic Middle Eastern ally" (Schiavenza 2015).

For all the pessimism, there exists a major, untested variable: the willingness of the American president to take on the Saudi regime. By embracing Saudi Arabia (Tharoor 2019)—even congratulating his "friend" MBS for doing a "spectacular job" in 2019 (Guardian 2019)—Trump squandered any possible advantage to be gained from the U.S. energy "dominance" he heralded. And although the Biden administration declassified the report regarding Khashoggi's assassination and imposed targeted sanctions on those responsible, the president refused to punish MBS directly (Sanger 2021). Shale may grant the U.S. sufficient leverage to hold its long-standing ally to espoused American values, but presidential gumption has not yet risen to the task.

II. The Long-Term Reform Effect

Saudi Arabia desires lower crude prices than the rest of OPEC given their calculations regarding competition from their adversaries and domestic demand (Sons 2018, 129). However, as they flooded the market with cheap oil in 2015, their confident public rhetoric did not match internal perceptions. One cabinet official remarked in private, "We were going to hit the wall – and in our own lifetime, not our children's" (Rundell 2022, 2). Indeed, as a result of the fall in crude oil prices, from over $100 per barrel in summer 2014 to less than $30 per barrel in March 2016, "the Saudi budget became a gusher of red ink as falling oil revenue could barely cover the country's civil service salaries" (Rundell 2022, 258). (Some estimate that $24 billion in lost oil revenue during this timeframe was attributable to the fracking boom (Kilian 2017, 137, 154).) In 2015, the government reached a historic and "unsustainable" budget deficit of 16% of GDP (Rundell 2022, 261), surpassing the IMF's forecasts (Kerr 2015).

In response, King Salman tapped into the government's financial reserves, with "IMF data show[ing] a reduction in Saudi net foreign asset holdings of near $90 billion between mid-2014 and August 2015," a drop which would have been reduced by 27% in the absence of the shale revolution (Kilian 2017, 154). In February and March alone, King Salman spent $26 billion in reserves, depleting the central bank's stock by five percent (Kerr 2015). The government also announced a budgetary spending cut in December 2015 for the first time since 2002, planning for total government spending equivalent to "48.4 percent of 2016 non-oil GDP, lower than the 64.4 percent average over the [preceding] five years" (Sons 2018, 129). In September 2016, the Cabinet announced cuts to ministers' salaries and state employee bonuses (Amnesty International 2017, 312). Other policy tools were limited: the Saudi riyal is pegged to the U.S. dollar, the country has no personal taxes, and most goods are imported (Rundell 2022, 261).

Shale presents a fundamental challenge to the Saudis. The new supply of crude has exacerbated many of the fissures in Saudi Arabia's oil-based economy, and, in doing so, has exposed the unsustainability of its current social contract. For one, growing domestic oil consumption both increases spending pressure and "threatens to cannibalize the Saudi crude production available for export in the years ahead" (Claes, Goldthau, and Livingston 2015; Westphal, Overhaus, and Steinberg 2014, 18). Thanks to plentiful oil revenues, the Saudi state has long subsidized gasoline and oil-produced electricity and desalinated water (Rundell 2022, 258), resulting in rising and inefficient consumption of these commodities (Westphal, Overhaus, and Steinberg 2014, 25). In fact, "by 2015, Saudis consumed roughly 20 percent of their own oil production," prompting the petroleum minister to warn that "Saudi Arabia would be burning three quarters of its production by 2030" (Rundell 2022, 259). In addition, as described above, oil has distorted the country's labor market, causing high unemployment in a young, rising population (Sons 2018, 127). Public sector employment has taken on the specter of an entitlement; the majority of the workforce follows the "mudir (Arabic: 'boss,' 'director') mentality" and lacks qualifications for private sector work (ibid., 127). By 2015, with oil prices plummeting, "the direction of necessary change was clear. Saudi workers needed to return to the private sector, many foreign workers needed to go home, and Saudi women needed to rejoin the workforce" (Rundell 2022, 261). Saudi Arabia anticipated a long-term need to kick its "addiction to oil," in the words of MBS (ibid.).

Therefore, in 2016, the Crown Prince announced Vision 2030, an ambitious and comprehensive social and economic development plan. The key objectives, crafted by "a small army of international consultants," include balancing the budget, reducing dependence on oil revenue, and increasing the non-oil private sector's share of GDP (ibid., 136). However, it is crucial to remember that "The core of Mohammed bin Salman's vision [is] political, not social or economic" (ibid., 87). MBS seeks social and economic reform for the purpose of political stability, as the old rentier state model has proven untenable post-energy revolution. Therefore, as oil-backed benefits fall to the wayside, there is another side to these reforms: repression.

First and foremost, such fundamental and far-ranging reforms can and have undercut stakeholders whose loyalty is crucial in upholding the Saudi regime. The "merchant class" and royal businessmen have borne the brunt. With reduced government spending in 2016 and 2017, "many Saudi businesses saw sales decline by 20 to 30 percent" (ibid., 126). Other measures have included: cancellation and delay of projects, new property and value-added taxes, increasing residence fees for foreign workers, and reduced subsidies (with an accompanying 50% rise in gasoline prices and doubling of electricity bills in 2016) (ibid., 262). Vision 2030 also includes a five percent IPO of Saudi Aramco, a move which may meet "resistance by the company's inner decision-making circle" (Sons 2018, 133). Notably, the government has compensated the poor through a new, specialized agency called the Citizens Fund; "[F] or those earning less than $2,000 per month, the compensation payment actually exceeded the expected loss" from the price hikes (Rundell 2022, 262). It has also not changed subsidies and compensation relevant to tribes and sheikhs.

Other reforms have threatened members of the royal family and religious establishment. For example, King Salman has replaced royal family members with technocrats in high-ranking energy administration positions, "professionalizing" this crucial industry (Sons 2018, 132). He has also sought to eliminate the costly system of "kings and several vice kings" that his brothers spawned, instead consolidating economic and military power under his son, MBS (Rundell 2022, 163). In 2017, he orchestrated a bloodless coup by replacing then-Crown Prince Mohammed bin Naif ("by far the most senior and most experienced grandson" of Ibn Saud) with MBS (ibid., 83). This move addressed the complicated third-generation succession issue, but it, combined with high-level reshuffling, a reduced "privy purse," and new anti-corruption watchdogs, risks marginalizing ousted members of the royal family (ibid., 164). With regards to social liberalization, King Salman and MBS have accelerated efforts around women; they have removed long-standing conservative ministers and replaced them with liberals, created affirmative action programs, amended guardianship regulations, and allowed women to drive (ibid., 250-251). These moves allow greater workforce participation—in 2021, "the share of Saudi women in the labor market expanded by an incredible 64 percent in just two years" (Tamayo, Koettl, and Rivera 2021)—but breed resentment among the ulama. Some view the "liberalization of gender roles as a direct challenge to their authority, and a cause to question the king's right to rule" (Rundell 2022, 254).

Second, shale has constrained the government's preferred method of pre-empting unrest: spending. As the Arab Spring began in 2011, the Saudi government released two packages of extra spending—"$32 billion in February and $97 billion in March"—which "included an across-the-board increase of 17 per cent in public-sector wages" (Stevens and Hulbert 2012, 9). Specifically, King Abdullah "gave state employees a two-month salary bonus, hired 60,000 new civil servants, and increased the minimum wage for Saudis" (Rundell 2022, 291). As a result, the kingdom's fiscal breakeven price of oil skyrocketed, but the kingdom also received a payoff. As Rundell (2022, 291) describes, "Civil and religious authorities repeatedly warned people not to participate in public protests and most had little interest in doing so. The 'Day of Rage' promoted by Saudi dissidents living abroad turned out to be a non-event." The government has increased spending at more recent points of political uncertainty. In April 2015, when reshuffling his royal court and appointing technocrats to high-level economic posts, King Salman also unveiled extra compensation for those fighting Houthi rebels in Yemen (Kerr 2015). As Steffen Hertog, a London School of Economics (LSE) professor, explains, the military bonuses show that "the knee-jerk reaction to political challenges is to distribute more money" (ibid.). No matter the source—oil revenues or foreign exchange reserves—such spending is unsustainable with a slowly-reforming economy in the price-dampening age of shale.

Facing threats to regime stability and having little extra cash to throw at them, the Saudi government has resorted to repression, and an escalated version at that. The regime must not only silence the traditional opponents which threaten to provoke the public (their specialty), but also the stakeholders who stand to lose the most from reforms and have a significant platform to criticize the regime (mostly uncharted territory). Freedom of speech and the press have markedly declined under King Salman and MBS, who have centralized control over editorial policy, mandated active support for Vision 2030, and monitored social media for dissent, meting out harsher punishments for any opposition (Rundell 2022, 147). Meanwhile, businesspeople and royal family members have been systematically targeted. The most prominent example so far has been MBS's anti-corruption campaign, which has resulted in the detainment, interrogation, and in some cases alleged torture of hundreds of officials, business leaders, and royals. Many, including 11 princes, stayed in MBS's "five-star prison" (the Riyadh Ritz Carlton) in November 2017 (ibid., 105). Prince Alwaleed bin Talal Al Saud, the famous Saudi businessman who published the open letter regarding the threats of the shale revolution, found himself shuttled to the hotel, along with the head of the Saudi National Guard, meant to protect the royal family from a coup (Hope and Scheck 2021, 6). After Major General Ali al-Qahtani spat on his interrogators, he died in captivity. Notably, MBS did not detain any important sheikhs during this period (Rundell 2022, 105), as the tribal population had been shielded through Citizens Fund. If the government cannot spend to placate, then it will repress to silence.

The crackdown has continued since. In early 2018, thirty princes were detained "allegedly for protesting against new electricity bills, but in reality for challenging the authority of the Crown Prince" (ibid., 164). Most recently, in early 2021, MBS's sovereign wealth fund filed an anti-corruption lawsuit against Saad al-Jabri, whose counter-terrorism efforts and close relationship with Al Saud gave him access to sensitive information about MBS's "covert political scheming" and "corrupt business dealings" before he fell out of favor with the royal court (England and Kerr 2021). He has accused MBS of sending a hit squad to Canada to assassinate him, reminiscent of the Khashoggi case. Human Rights Watch (2021) has also drawn attention to the Saudi authorities' incommunicado detention of al-Jabri's children. Anti-corruption is undoubtedly a necessary reform for the Saudi state, but it is also a powerful means to silence powerful opposition. As Madawi al-Rasheed, another LSE professor, explains, "There has been corruption and there is still corruption, and this is like a mafia eliminating competitors within the whole regime" (England and Kerr 2021). In Saudi Arabia, anyone can be targeted for corruption, making it a perfect addition to MBS's arbitrary arsenal. And the billions of dollars sought and recouped from this campaign do not hurt either, especially when reforms need private-sector investment, not leakage to Geneva (Hope and Scheck 2021, 6; Rundell 2022, 105).

Writers who claim that "Mohammed bin Salman is the worst enemy of his 'Vision 2030' plan" miss the point that repression and reform are two sides of the same strategy. Social liberalization and economic reform under MBS are parts of an agenda with regime stability as the goal, not guiding values on their own. A crown prince seeking to secure the stability of his future—and even current, given his father's ailing health—regime does not allow reforms to occur faster than he desires, much less allow airtime for challenges. As Rundell writes, "The king and his son are not trying to make Saudi Arabia more democratic, but they are trying to make it more stable, prosperous, and religiously tolerant" (Rundell 2022, 3). Al-Rasheed similarly concludes that "[t]he Saudi regime is… an autocracy in which only a superficial social liberalism is allowed to flourish" (Al-Rasheed 2020, 331).

In this light, MBS is less of "a prince with a plan" and more of a "plan with a prince" (Ghafar 2018). The autocratic father-son duo seems intent on consolidating their own power (Al-Rasheed 2020), but their preferred tools of repression align well with their social and economic reforms. It may be that the two men view a powerful, ruthless leader with increased repressive capacity as the only kind able to satisfy their personal aspirations and reform the Saudi political economy. Taking a more positive view, Rundell points out a legitimizing effect: "Gaining public support for painful economic reforms required fighting high-level corruption and downsizing the royal family" (Rundell 2022, 164), or at least targeting the high-level, corrupt actors most convenient to the Crown Prince.

III. The Short-Term Price Effect

Many analysts agree that Saudi Arabia's massive foreign reserves shield it from real concerns of regime instability due to short-term price shocks like those caused by the shale oil revolution, economic statecraft, or a pandemic. However, is the mere possibility of sustained low oil revenue—indicated by a severe price drop—enough to cause repression as an insurance policy? The next section aims to find out.

The Test

My research design identifies three of the sharpest declines in Brent crude prices in the past 35 years and compares levels of repression immediately before, during, and after. While prices also declined sharply from 2019 to 2020 as COVID-19 impacted the global economy, the U.S. government and non-governmental organizations (NGOs) have not yet released their reports for 2021, making it difficult to assess a post-decline effect. The fiscal breakeven price serves as a rough indicator of regime anxiety. I draw from four credible annual sources—the U.S. State Department's Country Reports on Human Rights Practices, Amnesty International's The State of the World's Human Rights Report, Freedom House's Freedom in the World Report, and Human Rights Watch's World Report—and focus on three marginalized groups: political dissidents; Shi'a activists and leaders; and women's rights activists. At various points, these groups have called for greater representation and criticized the regime for its abuses, with the potential to rally others to their causes. If the regime anticipates dwindling resources to placate the masses—even if Sunni men, not these groups, benefit most directly from oil-funded welfare—then it may view pre-emptive repression of provocative groups as necessary for stability. A large group of men, feeling newly deprived of their entitlement as Saudi citizens, cannot be exposed to a spark. I find little correlation between crude oil price and repression for the first two declines. I find a stronger connection for the 2014-2016 crash, although it is difficult to disambiguate between repression caused by the short-term price effect and long-term market effect, especially when accounting for the long shadow of the Arab Spring.

I. 1983-1986: Punishing OPEC

Facing a significant decline in global petroleum consumption in the early 1980s—a long-term demand response to 1970s price hikes—Saudi Arabia voluntarily halted 75% of its production between 1981 and 1985 (Hamilton 2011, 18). After failing to prevent a 25% decrease in the nominal price of oil (and a larger decrease in the real price), the Saudis decided to increase production in 1986, causing prices "to collapse from $27 per barrel in 1985 to $12 per barrel at the low point in 1986" (ibid.). Throughout this period, according to the State Department, the Al Saud faced concerns about internal security from the Iran-Iraq war, anti-regime activity in 1979 and 1980, terrorist incidents in other Gulf states, and the Iranian Revolution's negative ideological stance towards Saudi Arabia. In 1984 and 1985, the State Department also noted economic adjustment due to steadily, though not yet rapidly, falling oil prices and national income over several years.

During this period, low oil prices had little correlation with repression of political critics and the media. Prior to the collapse in early 1986, Amnesty and the State Department had received reports of detention of political prisoners who may have been prisoners of conscience; this did not change over the course of the four studied years. In addition, "several score critics of the regime," including journalists, university lecturers, and other vocal critics, were reportedly arrested, detained, interrogated, warned, and released in late 1982 and early 1983 Bureau of Democracy, Human Rights, and Labor, U.S. Department of State 1984); such mass arrests were not reported in the following years, even as oil prices plunged. In fact, although some magazines were temporarily removed and others had certain articles removed in 1985, in 1986, with oil prices at the average low point, the State Department noted several examples of increasingly-objective foreign news, even regarding important political and security events.

The experience of the Shi'a minority may indicate a pattern, but not a strong one. Prior to the crash, other than some reports of increased surveillance and temporary preventative detainments, documented incidents of repression stayed relatively low. In 1985, with the decline underway, Amnesty wrote that most political arrests that year occurred in the Shi'a-populated Eastern Provinces, and those arrested were reported as Shi'a (Amnesty International 1986, 353). Many of these arrests and incommunicado detentions occurred on and after Yom al-Ashura, which commemorates the grandson of the prophet Muhammad. However, the lack of documented, freely celebrated Shi'a ceremonies before the price drop makes this an imperfect comparison. In 1985 and 1986, Amnesty also noted an increase in consistent reports of torture, and in 1986, detailed the death in custody of a Shi'a man whose arrest "appeared to be connected with the appearance of opposition slogans on walls and the distribution of opposition leaflets in the village" (ibid., 368). Authorities returned his body, which had signs of torture, to the family and instructed them to bury him without the customary funeral. This incident, combined with the events of 1987 as oil prices recovered—several dozen Shi'a arrested in 1986 were released "in what appears to have been a general amnesty," and a previously-closed Shi'a mosque was allowed to re-open (Bureau of Democracy, Human Rights, and Labor, U.S. Department of State 1988, 1292)—provide some tentative evidence for oil prices causing an increase, then easing, in repression.

Finally, the status of women remained mostly unchanged between 1983 and 1986: the government neither made large strides nor cracked down on advocates—possibly because there were no reports of such advocacy or organized women's rights groups. Overall, the events of 1983-1983 depict a Saudi state in control of its population and production: it had caused the accelerated price decline in 1986, despite the significant political and military risks (Gately, Adelman, and Griffin 1986, 160-161), likely in prediction of a rebound or stabilization as its OPEC partners eventually adjusted. Controlled short-term price events do not necessitate repression.

II. 2007-2009: Accommodating the Recession

Oil consumption and prices rapidly increased before the Great Recession: UCSD economist James Hamilton describes the price spike as "the biggest in postwar experience" by some metrics (Hamilton 2011, 23). The chaos following December 2007 had much more to do with subprime mortgage deals and poor regulation in Manhattan and Washington than decision-making in Riyadh; the Saudis, along with the rest of the world, faced an external shock largely out of their control. However, Saudi Arabia did not fight the drop, as it sought to keep diminishing global demand afloat with lower prices. In September 2008, while OPEC members feared prices nearing the "symbolic $100 threshold," Saudi Arabia pledged to keep pumping to keep prices down, and King Abdullah stated that $100 was too high (Mouawad 2008). Hours after OPEC announced it would cut oil output by about half a million barrels per day, Saudi Arabian officials privately conveyed that they did not feel bound by the decision, asserting itself as the "producer of last resort" (Rundell 2022, 221; Mouawad 2008). As a result, Saudi Arabia retained some level of control over the situation, and when prices began to recover as a result of reduced OPEC production, the oil minister expressed confidence, saying, "We are happy where it is [$70] and it's going to be there for a while. We don't have the slightest worry" (Mouawad 2009). In this case, then, the Saudis faced a (somewhat welcome) decline and quick recovery—the entire decline occurred between July and December 2008, with average monthly prices falling from approximately $133 to $41. The volatility, with prices slipping below the breakeven point, caused mixed results for repression. In its 2009 report, Freedom House provided an explanation: "The downturn placed new stresses on the kingdom, most importantly by diminishing the extent to which it was able to spend on development programs. However, as a result of careful budgeting, Saudi Arabia has yet to face any significant related political fallout" (Puddington and Piano 2009, 618).

In comparison to the previous case, this period included several moments of restricted freedom coinciding with faltering and plummeting prices. Prior to mid-2008, when prices were rising, the State Department reported fewer restrictions on issues discussed by the media, including the deaths of two citizens allegedly caused by the religious police. However, in 2008, Human Rights Watch noted a deterioration in freedom of expression, evidenced by the state condoning official incitements to violence and authorities detaining and charging dissidents (Human Rights Watch 2009). For example, in September, with OPEC struggling to respond to the drop, "the head of the Supreme Judiciary Council issued an edict allowing the killing of the owners of satellite television channels if they air immoral content" (Puddington and Piano 2009, 619). The religious police detained, beat, and forced a silencing agreement upon a critical poet and blogger in November; authorities also stopped a previously-detained blogger in the Jeddah airport and prevented him from leaving the country to speak at the third annual Arab Free Press Forum (Bureau of Democracy, Human Rights, and Labor, U.S. Department of State 2009). Escalations earlier in the year—including a cleric calling for the trial and potential death of two writers for "heretical articles"—do not align with the price drop, but may show the effects of financial insecurity in general. In 2009, with prices rapidly recovering, the government reversed some of the damage. The State Department noted the lack of official libel cases against dissent and the replacement of the Supreme Judicial Council head (ibid. 2010).

On some accounts, the government improved religious freedoms: they allowed the celebration of Shi'a holidays, and there were fewer reports of government officials confiscating religious materials both within Saudi Arabia and from travelers entering the country. In fact, in 2008, "in contrast to the previous year, there were no reports that religious police pressured employers and sponsors to reach verbal agreements with non-Muslim employees that they would not participate in private or public non-Muslim worship services" (ibid. 2008). However, such liberties did not extend to the more politically-minded Shi'a. In June, authorities arrested and detained a prominent cleric "after he called a previous anti-Shia statement by 22 Salafi clerics an incitement to violence and demanded greater rights and political representation for the Shia of al-Ahsa" (ibid.). They re-arrested him in September for performing prayers according to Shi'a doctrine, and also arrested and detained a Shi'a rights activist upon his return to Saudi Arabia in October.

On the surface, the combination of increased religious tolerance and increased repression of politicized religious activity points to an overall strategy of minimizing civil unrest during a price shock. However, the fact that religious tolerance also declined in 2009—while oil prices had recovered to a more profitable $75 per barrel—casts doubt on that conclusion. In February 2009, religious police attacked hundreds of Shi'a pilgrims in Medina for visiting an important gravestone. In October, "authorities banned the building of Shiite [Shi'a] mosques, marking a significant reversal," and in December, the Medina government and religious police officially banned the use of gravestones, removing all existing ones from the city (ibid. 2009).

Women, although still facing severe official and societal discrimination, did not encounter any significant repression at the time of the crash. In 2007, activists gathered 1,100 signatures on a petition for women's right to drive, which they presented to King Abdullah. During the decline, King Abdullah continued with his reform agenda regarding women's issues. The government instituted a more lenient guardianship system for noncitizen women, allowed women to study law for the first time, and broke ground on the country's first women-only university. The following year, the State Department received no reports of women struggling to obtain National Identity Cards (NIC), which had posed a problem in the past.

III. 2012-2016: Trading Price Control for Market Share

Previous sections have largely explained this decline. Like the two other crashes, the Saudis refused to cut production in response to a glut in 2014 and 2015, this time attempting to defend its market share and test the willpower of American shale producers (Solomon and Said 2014). However, two other contextual factors impact the analysis of this period. First, the Arab Spring placed the Kingdom on high alert in 2011. The regime: arrested and prosecuted hundreds of citizens in Eastern Province demonstrations; arrested prominent human rights activists and Shi'a advocates; carried out a three-fold increase in executions in comparison to 2010; sent troops to Bahrain to quell foreign protests; and introduced new restrictions on basic freedoms of expression and association. The king issued a royal decree criminalizing any criticism of the religious or political establishment, while the Ministry of the Interior and

Council of Senior Religious Scholars warned of the practical and moral consequences of seeking to "disrupt order" (Bureau of Democracy, Human Rights, and Labor, U.S. Department of State 2012). Due to these developments, Freedom House downgraded Saudi Arabia's civil liberties score to 7, matching its political rights score at the bottom of the spectrum. In addition, King Salman assumed the throne following Abdullah's death in January 2015; the Al Saud have undergone several successful, peaceful transitions since Ibn Saud, but any transition in an autocratic system has potential for increased repression as the new ruler establishes themselves. Regardless, in its 2016 report, Freedom House explicitly recognized the connection between the price of oil, threats to economic well-being, and increased crackdowns in "repressive petro-states… wary of spending cuts, declining living standards, and the social unrest they could cause" (Freedom House 2016, 2).

Bearing all contextual factors in mind, the reports indicate an increasingly systematic and punitive approach to silencing political opponents. 2012 provides an already-repressive baseline: authorities arrested the creator of the "Free Saudi Liberals" site, the cofounder of the Saudi Civil and Political Rights Association (ACPRA), and the authors of Twitter comments on Islam. Although some were charged with apostasy (which carries a life sentence), most received a maximum prison sentence of four years or a travel ban as punishment. The authorities also allowed more frequent, small, and unauthorized demonstrations than in the past.

In 2013, with prices dropping more steeply, the regime accelerated their campaign against political dissidents, human rights lawyers, and ACPRA, sentencing three of its founders to four, ten, and eleven years in prison respectively, after convicting them on charges including "breaking allegiance with the ruler" (Human Rights Watch 2014). The court also sentenced one member to four years in prison and 300 lashes. In addition, Ra'if Badawi, a prominent human rights activist, received seven years in prison and 600 lashes "for violating Islamic values, breaking sharia law, blasphemy, and mocking religious symbols using a website" (Bureau of Democracy, Human Rights, and Labor, U.S. Department of State 2014). In 2014, while continuing to dole out prison years and lashes, authorities implemented a new "anti-terrorism" law giving the police wide discretionary power and freedom from judicial oversight. By the end of the period, with oil prices dropping the fastest, a Saudi court had sentenced a poet to death in a retrial on charges of blasphemy (his original sentence in 2014 was four years in prison and 800 lashes), arrested a critic of the Sudanese government (even criticism of other governments would not be tolerated), flogged Ra'if Badawi (met with international outcry), and jailed nearly all the founders and several members of the ACPRA.

The religious minority did not fare much better. Shi'a protests flared in October 2011, January 2012, and July 2012, particularly in response to the killing of Shi'a in protests and the arrest of a prominent cleric, Sheikh Nimr al-Nimr, in July 2012. Shi'a organized around political reform and against Saudi intervention in Bahrain, with authorities issuing most-wanted lists and resorting to violence in response. As oil prices began to drop, appeals courts increased the length and severity of sentences, the government restricted the travel of at least 60 leaders who had signed a critical letter, and the Specialized Criminal Court sentenced both Nimr al-Nimr and his nephew to death. The events of 2016 were especially alarming for their scope and rationale: in January, Saudi Arabia carried out its largest mass execution since 1980, killing 47 men for "terrorism offenses," although "four were Shi'a allegedly involved in protest-related crimes in 2012 and 2012" (Human Rights Watch 2017, 515). An additional 14 Shi'a were sentenced to death in June for their involvement in the protests, which the court classified as "terrorism"; this repeated and intentional blurring between national security and political repression grants the state immense power to repress and accuse at will. Saudi Arabia executed over 150 people in both 2015 and 2016, twice breaking a threshold that had not been surpassed in 20 years.

Finally, female activists launched the Women2Drive campaign in 2011 and made some headway in political participation and the professional world in 2012 and 2013. In 2013, at least 50 women drove in the Kingdom despite the ban, and approximately 50 women in different cities conducted "freedom sit-ins" to criticize the arbitrary detainment of human rights defenders and relatives on terrorism charges; authorities arrested the protestors, but released them all by year end. In 2014, women agitated for the right to drive more forcefully. Authorities warned they would arrest any supporters of the campaign, and made good on the threat, arresting and bringing terrorism charges against Loujain al-Hathloul and Mayssa al-Amoudi. Although both were released, al-Hathloul was later imprisoned for an extended time; she has accused security forces of sexual assault and torture. Her case serves as a symbol of MBS's liberalization on his terms.

Conclusions and Implications

When viewed alone, the 2014-2016 crash seems to vindicate the potential existence of a short-term price effect: oil prices dropped, and detainments, travel bans, prison sentences, lashes, and executions rose. However, as I have discussed, the repression has not abated since prices recovered in 2017 and 2018 – if anything, it has escalated, reaching into the upper class of businessmen and princes as MBS and King Salman attempt to implement drastic reforms. The repression has not abated because the shale threat has not subsided; 2014-2016 functioned more as a final warning than a true shock. The persistence of the crackdown, in addition to the meager evidence from the first two drops, points to two important conclusions. First, observers are right to view the 2014–2016 crash as the starting point for a long-term market effect. The Al Saud have had no choice but to recognize and anticipate shale's disruptive potential for their economy and social contract. Second, albeit based on a small sample size, the regime appears resilient to short-term shocks, at least to the extent that they do not feel compelled to pre-emptively repress across all critical pockets of society. However, as short-term declines become less controllable—a potential effect of shale—they may inspire more repressive outbursts.

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The use of economic statecraft to purchase power: structural explanations of the Louisiana and Alaska Purchases

Max Bessler

This paper asks under what circumstances are land purchases an effective instrument of economic statecraft? I examine three cases of U.S. direct purchase: the successful Louisiana and Alaska Purchases and the failed 1946 attempt by the Truman administration to purchase Greenland. From observing two cases of success and one of failure, two distinct conditions arise, multipolarity and contrasting financial position. This paper extends the scholarship on the effectiveness of economic statecraft to perhaps its most underappreciated tool, the direct purchase of land, i.e., the acquisition of another state's territory through monetary exchange. Under the right conditions, purchase may once again be possible.

Introduction

When the Trump administration inquired to buy Greenland from Denmark in the Spring of 2019, it was the latest of three attempts to do so, previously tried by the administrations of Harry Truman in 1946 and Andrew Johnson in 1863. Though a "Greenland Purchase" has not come to fruition, U.S. foreign policymakers have peacefully purchased billions of acres from other actors in the international system across North America, southeast Asia, and the Caribbean since 1803. Historians have detailed the events leading up to the purchases, but scholars of international relations have neglected incorporating the purchases into their modern field of economic statecraft. A central question in the economic statecraft literature is effectiveness—under what conditions are these instruments more likely to succeed or fail? The same question should apply to perhaps the most underappreciated tool of economic statecraft, the direct purchase of land, i.e., the acquisition of another state's territory through monetary exchange. Direct purchases have altered the geopolitical landscape of great powers, or, as in the case of the 19th century United States, fueled the growth of an aspiring one. By extending this scholarship, I hope to ask under what circumstances are land purchases an effective instrument of economic statecraft? Specifically, what conditions allowed the United States to succeed in inducing a purchase of the Louisiana and Alaska territories, but not Greenland?

This paper offers an answer by presenting two distinct conditions that drive the strategic and economic motivations of both the seller and buyer. The first condition is the presence of competitive multipolarity. Under intense great power competition, the dynamics of a third, stronger actor forces the seller and buyer to both balance against this stronger foe. In the case of the Louisiana and Alaska Purchase, the threat of Great Britain pushed the French and Russian empires to engage in mutual-

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ly beneficial geopolitics with the United States. The second condition is contrasting financial position, determined by comparing each party's financial capacity with its level of geopolitical ambition. Both sellers faced heavy financial pressure due to ambitious imperial overstretch. While France and Russia required funds for priorities closer to home, the United States possessed the financial capacity and relatively humbler goal of continental expansionism. These conditions of multipolarity and opposing financial positions explain why the two purchases of the nineteenth century succeeded. But in 1946, when the Truman administration failed to buy Greenland from Denmark, the conditions categorically differed. After World War II, emerging bipolarity and a financially comfortable Denmark gives structural insight into why America presented an offer, but the Danes rejected it. These three case analyses begin to structurally explain when direct purchasing, as a form of economic statecraft, succeeds and fails.

This paper extends the discussion of effectiveness to positive influence attempts. One of the most important analytical advances in the economic statecraft literature came from recognizing influence attempts could be positive or negative. Scholarship on its effectiveness is primarily devoted to negative sanctions as states have deployed punitive negative sanctions as an attractive alternative to force since World War II. In May 2019, Dursun Peksen provided a concise review of the decades of literature that examines the hundreds of cases of sanctions, asking when they succeed and categorizing the goals they serve (Pekson 2019). Stricter voices like Robert Pape find that imposed sanctions work less than 10% of the time (Pape 1997, 105-106). Elliott et al. and Morgan Bapat and Kobayashi find approximately a 34% case success rate. Scholarship on positive instruments alone lacks the systematic debate over its efficacy and various ends.

Lacking systemic organization, analysis of positive sanctions largely stands alone or is done in contrast to negative sanctions. In 2001, Richard Haas and Meghan O'Sullivan's Honey and Vinegar: Incentives, Sanctions, and Foreign Policy shined the spotlight on the use of positive incentives since the second world war through presenting successful cases of inducement from a strategy of engagement. The book is rich in history, but suffers analytically from the sheer breadth of ends engagement serves and lacks a theoretical framework that can evoke a scholarly response (Stoyanov 2001, 569). When cases of positive inducements are debated as influence attempts, it is done in contrast to ask whether they are more effective than negative sanctions. Some, including Haas and O'Sullivan, argue they ought to be used in tandem. Other scholars warn against relying on incentives due to the vulnerability of extortion which then leads the target country into engaging in more wrongdoing in the hope of obtaining larger rewards (Verdier and Woo 2011). And the third group supports inducements, finding, among many reasons, that they avoid the "rally around the flag effect" that strengthens the target state's resolve. Worth understanding further, scholars need to begin asking when specific types of positive inducements succeed and fail on their own terms, not in comparison with negative sanctions.

Among several forms of positive instruments, I focus on U.S. direct land purchases due to its consequentialness and explicitness, but understudied nature. During the 19th century, America purchased the claim to over a billion acres of North American territory that became the foundation of its superpower status. These acts of statecraft, i.e., treaties, are easily defined as one state paying another in exchange for its land. Other less overt inducements for land, such as foreign aid, can simultaneously serve a variety of ends that hinders establishing their effectiveness across cases in history. This is the problem for scholars that examine the role of positive inducements in the rare case of German Reunification. Scholars debate the centrality of massive economic aid packages that contributed to the eastern German Democratic Republic absolving and reuniting with the Federal Republic of Germany. Liberal materialists say it resembles a direct land purchase and advance an "economic aid explanation" that reflects how the USSR's primary weakness and needs were economic (Newnham 1999, 422). But because German Reunification marked the end of the Cold War, realists argue the effectiveness of economic aid reflected the underlying shift in power between Bonn's West Germany and Gorbachev's Soviet Union. Constructivists contend the aid packages built mutual trust that shaped identities which facilitated greater cooperation over harder issues to solve (Forsberg 2005, 142-143). This debate gives insight into the ability of positive incentives to precipitate land transfers, but it also exhibits the difficulty in giving primacy to less overt methods as the leading reason a state cedes its territory. Contrarily, analyzing U.S. direct land purchases bears easy definability and momentousness which makes them an ideal starting point in understanding when this type of positive inducement succeeds.

While foreign aid played a prominent role in the momentous German Reunification, several direct purchases have centrally fueled the growth of the United States' ascendancy to great power competition. Among them, the Louisiana Purchase of 1803 doubled the size of the United States, gave the U.S. the priceless port of New Orleans, and expelled France from North America. And in 1867, the Alaska Purchase strategically diminished England and Russia's influence in North America, provided invaluable resources to the United States, and later became a vital "Guardian of the North" in the Cold War (U.S. National Park Service, 2021). Like the German episode, these spectacularly successful instances of positive economic statecraft deserve more attention.

Why did they succeed? That is the central question of this paper. From the analysis below, two important conditions appear necessary for a direct purchase to occur, multipolarity and contrasting financial position between the seller and buyer. Both the Louisiana and Alaska Purchase occurred in an era of multipolarity, where the power of the international system was distributed across several great powers that created flexible alignments among them. As Great Britain's Foreign Secretary Lord Palmerston proclaimed in 1848, "we have no eternal allies and we have no perpetual enemies" (Safire 1991). The pressures of multipolarity forced great powers to sell their territories to secure their primary interests even at the cost of boosting a potential future competitor. Second, the financial position in both the seller and buyer stark-ly differed. State leaders must balance their resources and commitments carefully in crafting their foreign policy. A more ambitious foreign policy comes with a greater demand on a state's economic and most importantly financial resources. While the sellers faced financial constraints due to overcommitted foreign policy, the buyer possessed the resources and tamer geopolitical ambitions that allowed it to purchase.

The rest of the paper splits up into three case studies and a conclusion. The following section examines the central conditions that prompted the Louisiana Purchase. I highlight the great power dynamics driven by the presence of a third actor, Great Britain, and difference in financial position between the seller France and buyer United States. The following section takes up the Alaska Purchase where Great Britain's presence shows itself again alongside a similar difference in financial position between the seller Russia and the United States. The next section offers a third, counter case where the U.S. failed to buy Greenland. This time, great power dynamics and financial position were key factors, but they operated in reverse. Bipolarity and the relative financial comfort of Denmark explains a U.S. offer and a Danish rejection. A final section summarizes the argument while exploring broader implications in understanding the conditions of direct purchase.

The 1803 Louisiana Purchase

Over the month of April 1803, President Jefferson instructed James Monroe, statesman and later president, and Robert Livingston, Minister to France, to negotiate with François Barbé Marbois, the French Foreign Minister representing Napoleon, on the terms of secession on Louisiana. The negotiations concluded with the United States agreeing to pay Napoleon's France $15M to acquire the French claim on Louisiana, 827,000 square miles west of the Mississippi (Rodriguez 2002, xxv). This section shows how the condition of two variables facilitated the Louisiana Purchase. Given the distribution of power, the pressures of multipolarity underlies the strategic motivations of both parties. Comparing the economic positions of each, France faced financial constraints while America possessed the freedom and flexibility to induce a territorial exchange.

Multipolar Competition: For France, It's All About Great Britain

The Louisiana Purchase occurred in a time of intense multipolar great power competition that pressured France to prioritize its sovereign claims of Europe over its faraway colonies in North America. Facing imminent war in Europe, Napoleon required funds for an inevitable conflict with the British that would soon become part of the Napoleonic Wars. In North America, the presence of a superior British navy put France's Louisiana territory in immediate jeopardy. In Minister Marbois' account of the sale, he recalls the meeting where Napoleon shared his strategic desire to cede Louisiana.

> [The British] have twenty ships of war in the gulf of Mexico, they sail

> over those seas as sovereigns.... The conquest of Louisiana would be easy, if they only took the trouble to make a descent there. I have not a moment to lose in putting it out of their reach (Barbé-Marbois 1830, 264).

Knowing the British were close, the distance to Louisiana from France negated the ability for the French navy to respond. Marbois recalls an unnamed counselor's argument how France "will send out a squadron; but, while it is crossing the ocean, the colony will fall, and the squadron will in its turn be in danger." Selling Louisiana preempted British invasion by balancing against them.

Napoleon's decision to sell Louisiana represents internal and external balancing against Britain. Internally, as discussed below, the deal endowed France with the ability to fund its future conflicts with Britain. On May 18, 1803, only weeks after the purchase, Great Britain would break the Peace of Amiens and declare war on France over its dominance in Western Europe. As a form of external balancing, Napoleon removed the ability for Great Britain to extend its power over North America, improved relations with the United States, and helped create a future geopolitical competitor to Britain that was friendly to France. In Marbois' account of Napoleon's deliberations, an unnamed consul remarked to Napoleon that selling Louisiana helps "to emancipate nations from the commercial tyranny of England, it is necessary to balance her influence by a maritime power that may one day become her rival: that power is the United States" (ibid., 260). When the negotiations ended, Barbé Marbois recalled Napoleon's triumphant words, "'This accession of territory,' said he, 'strengthens forever the power of the United States; and I have just given to England a maritime rival, that will sooner or later humble her pride.'" (ibid., 312). Napoleon's foresight proved to be prophetic. The Louisiana Purchase helped secure the United States' dominion over the Gulf of Mexico and paved the way for the Monroe Doctrine in 1823. Excluding European powers from the Western Hemisphere, this foreign policy position would not have been possible without France ceding the Louisiana territory to the United States under the threat of Great Britain.

How did the uneven distribution of power affect the United States? Acquiring Louisiana eased its insecure situation. As a vulnerable, weaker power in the multipolar system of 1803, the United States sought neutrality to diminish the threats it faced from multiple great powers. Over land, the infant republic shared the North American landmass with Britain, France, Spain, and Native Americans—all vying for sovereign control. On the high seas, the United States lacked naval strength that undercut its export-led growth. President Jefferson feared that France's control over Louisiana and New Orleans would eventually force the United States into aligning with Great Britain and engaging in European great power politics. Jefferson spells out the importance of the diplomatic mission to James Monroe in a January 13th letter on the eve of his departure to France, writing, "For on the event of this mission depends the future destinies of this republic" (Jefferson 1803b). If Monroe failed, Jefferson postulated that "it may be necessary (on your failure on the continent) to cross the channel, we shall get more entangled in European politics, and figuring more, be much less happy & prosperous" (ibid.). As a rising power facing multiple threats, accruing Louisiana strengthened U.S. national security.

For lesser powers like the United States, multipolarity encourages balancing all the same. Internally, the Louisiana Purchase doubled the size of the United States, granted it the valuable port of New Orleans, and provided unfathomable resources across the countryside. The territory proved vital to growing the infant republic over the nineteenth century. Externally, acquiring Louisiana improved Franco-American relations against Britain while expulsing France from the continent. Upon agreeing to the terms of the treaty, Robert Livingston proclaimed that "one of the principal causes of European rivalries and animosities is about to cease. However, if wars are inevitable, France will hereafter have in the new world a natural friend" (Barbé-Marbois 1830, 310). Less than a decade later, the United States would ally with France in the War of 1812 despite American attempts of cross-Atlantic neutrality.

The pressure of multipolarity forced France into triaging their strategic priorities and secure its primary objectives in Europe. The presence of Britain in North America and Europe prompted Napoleon into ceding Louisiana to the United States. The immediate threat of Britain propelled France and the United States to engage in mutually beneficial geopolitics. Where Louisiana doubled the size of the United States and fueled its westward growth, France acquired the necessary funds to fund its primary objectives. .

Financial Position; France's Predicament, America's Opportunity

While multipolarity pressures purely strategic motivations behind cession and acquisition, each states' financial positions motivate the need for money and ability to pay for it. In 1803, the financial positions of France and the United States markedly differed. For France, historians agree France faced financial constraints due to Napoleon's ambitious geopolitics and poor ability to finance it. Fighting wars against major European powers across two continents proved particularly expensive for a state that relied on extractive plunder.

Facing another imminent conflict, Napoleon needed to extract funds from somewhere and chose Louisiana. Upon deciding to sell the territory, Napoleon urged Barbé-Marbois to "have an interview this very day with Mr. Livingston; I require a great deal of money for this war, and I would not like to commence it with new contributions…. I require money to make war on the richest nation of the world" (ibid., 260). France's decision to sell Louisiana fit into its broader strategy how Napoleon funded his empire.

France relied on a system of plunder to fuel its empire that financially constrained its competitiveness. In *The Ascent of Money*, historian Niall Ferguson chronicles how the British and French financial systems diverged leading up to the nineteenth century (Ferguson 2018, 75-80). While Britain developed a nascent bond market that funded its forces with debt, France plundered its conquered territories and directly taxed its own people to uphold an empire. Ferguson notes how, in the second half of the 18th century, "[French] defaults continued to happen regularly; offices were sold to raise money rather than to staff the civil service; tax collection was privatized or farmed out; budgets were rare and scarcely intelligible" (ibid.). Upon reacquiring Louisiana in 1800, Napoleon lacked the ability to tax it from afar. Facing financial constraints, he chose to sell the faraway colony to extract wealth. Napoleon concedes, "For a hundred years France and Spain have been incurring expenses for improvements in Louisiana, for which its trade has never indemnified them. Large sums, which will never be returned to the treasury, have been lent to companies and to agriculturists. The price of all these things is justly due to us" (Barbé-Marbois 1830, 275). Unable to effectively tax Louisiana from afar or raise money from its own citizens at home, France's economic instability affected its geopolitics. Napoleon would quite literally use the money "for this war" on the horizon against the British (ibid., 275). France's financial constraints arose from an inability to balance limited resources with ambitious commitments.

Unlike France, the United States in 1803 was a far more patient power that financially positioned itself to induce another actor with economic statecraft. On the periphery in 1803, the United States possessed humbler geopolitical goals with far more resources at its disposal. Rather than dominate the European balance of power, President Jefferson, as an ardent expansionist, sought to foster the United States as an "empire for liberty" in North America against imperial states like France and Britain. Primarily confined to western expansionism, the United States enjoyed the financial flexibility to do so thanks to a domestic economy geared towards export-led growth rather than plunder. Unlike France, the United States possessed relatively fewer economic constraints to fund its geopolitics than France for two reasons: more openness to trade and a better banking system.

Where France was less open to international trade, the United States relied on world markets to fund its growth following the Revolutionary War. Economic historians Ronald Findlay and Kevin O'Rourke argue that, leading up to the nineteenth century, Britain supplanted France's colonial empires by dominating international trade. Britain's reliance on world markets sparked the Industrial Revolution and strengthened its Royal Navy. As a result, French ministers warned as early as the 1740s that "England was planning to dispossess France of her colonies in the Americas and to confine her to purely internal trade" (Findlay and O'Rourke 2009, 348). Thanks to the Industrial Revolution, the United States stood to benefit from the demand from British manufacturing for raw materials. Upon independence in 1783, John Adams, understanding the agrarian potential of the American economy, proclaimed that "the business of America with Europe was commerce, not politics or war" (Adams 1783). Economic historian Paul Bairou concludes that by 1800, the United States was twice as trade-oriented as Europe, and more than five times as export-oriented as the world in terms of exports of its own products per capita. American foreign policymakers sought a peaceful international environment open to international trade. France's control over Louisiana and New Orleans increasingly stood in the way of America's export-led growth. As the United States grew from integrating itself in world markets, it obtained the resources and desire to purchase Louisiana and the port of New Orleans. By 1803, this virtuous cycle of investment was apparent to Napoleon who conceded, "it appears to me that in the hands of this growing power [the United States], it will be more useful to the policy and even to the commerce of France [to sell Louisiana], than if I should attempt to keep it" (Barbé-Marbois 1830, 264). Where the rise of imperial global trade undermined France's finances, the United States benefited from emerging world markets that fueled its internal growth.

The United States harnessed the growth of cross-Atlantic trade by developing domestic financial systems. While France lacked a central bank, Alexander Hamilton's Bank of the United allowed the young republic to capture its export-led growth and advance its geopolitical ambitions. The First Bank of the United States created and stored currency, served as a place for commerce, and collected the government's tax revenues and paid debts. Though rudimentary at the time, the bank expanded the tax base of the United States which increased revenues and raised the debt ceiling (Hill 2021). As the architect of the United States' financial system, Hamilton believed the revenues of Louisiana would surpass the debt incurred from purchasing it. Jefferson sought to convince Congress of the same in an October 1803 speech, contending that "millions of dollars will then be added to our public debt, most of which is payable after fifteen years… When we contemplate the ordinary annual [rise in taxes] from increasing population and wealth, the [increase] of the same revenue by [adding this new territory], and the economies which may still be introduced into our public [expenses], I cannot but hope that Congress in reviewing their resources will find means to meet the interests of this additional debt without [adding] new taxes" (Jefferson 1803a).

America's successful economic statecraft in acquiring Louisiana depended on both the dynamics of multipolarity and the relative financial positions of the two deal makers. For France, the ambitiousness of Napoleon's empire building in Europe and the threat of Britain in North America, combined with the reality of its financial constraints, created incentives to sell the attractive property on the periphery of the European system. The United States, removed from conflicts in Europe, but entangled with powers on its continent and at sea, was able to buy thanks to a healthier financial position. The deal proved to be defensive—through removing an arena of great power competition contiguous to its territory—and opportunistic by expanding its hold over North America and paving the path for the United States to play in great power games of competition itself. As the port of New Orleans and Louisiana fueled American growth in trade and power, the acquired territory would play a pivotal role in provoking the War of 1812 with Great Britain.

II. THE 1867 ALASKA PURCHASE

Sixty years after the Louisiana Purchase, the Alaska Purchase of 1867 marked the second largest direct purchase for land in American history. On March 30, 1867, United States Secretary of State William Seward signed the Alaska Treaty with Russian diplomat Eduard de Stoeckl. Acting on behalf of Russia, Stoeckl ceded the Alaska landmass and Aleutian Islands, nearly 600,000 square miles, to the United States in exchange for $7,200,000. For Russia, Tsar Alexander II sought to free up resources to refocus imperial efforts in the Amur River Valley of northeastern China following defeat in the Crimean War of 1857. This strategic refocus was underscored by the unprofitability of the Russian American Company, the fur trading company that struggled to effectively manage Alaska on behalf of Russia. For the United States, as the ideology of Manifest Destiny swept up America in a fervor of expansionism, Secretary of State Seward sought to purchase Alaska to expand its control over North America, sandwich England's British Colombia, and expand American commerce to Asia. From observing the strategic and economic motivations of the seller Russia and buyer United States, the dynamics of multipolarity and contrast in financial positions drove the Alaska Purchase.

A COMMON ANTIPATHY AND PROBLEM—BALANCING AGAINST GREAT BRITAIN

The uneven distribution of power in the international environment of 1867 pressured Russia and the United States to balance against a third actor, Great Britain. Russia's defeat in the Crimean War (1856) and the Treaty of Paris (1857) stripped the empire of its closer territories and demanded that the empire rebuild its capabilities closer to home. During and after the war, Russian policymakers feared that Great Britain would invade Alaska. When the war ended and Alaska remained in Russian possession, Grand Duke Constantine advised Foreign Minister Gorchakov in 1857 that "Russia must endeavor as far as possible to become stronger in her center" (Constantine 1857). The Civil War in the United States tabled inquires of a purchase, but Russian efforts officially restarted in early 1867 when Constantine advocated to his brother, Tsar Alexander II, that Russia must "abandon it by ceding it to the United States and to render all of the Government's solicitude to our Amurian possessions, which form an integral part of the empire and which by all accounts offer more resources than the northerly shores of our American possession" (Gibson 1979, 186).

Ceding Alaska externally balances against Britain because it improved relations with the United States. During this period, Moscow and Washington showed support for one another during respective civil wars, with domestic uprisings by Polish separatists, and over successful and attempted assassinations on its leaders (Jensen 1975). Russian-American relations were friendly, despite their differences as an autocracy and democracy. In an 1862 dispatch that disparaged the American political system, Stoeckl noted that "the deterioration of the United States as a power is an event that we must regret. The American federation is a counterweight to English power and as such its existence constitutes and element of world stability" (Malkin

1939, 122-26). During the Crimean War, Great Britain feared Russia would neutralize Alaska by ceding it to the United States. In an December 1866 report after the Civil War concluded, Gorchakov recalled this, arguing that Russia could preserve American friendship and deal a blow to the British in Canada. "In this state of things," Gorchakov concluded, "it would perhaps be useful to negotiate with the United States for the cession of our colonies" (Gorchakov 1866).

For the United States, Alaska boosted its economic competitiveness over Britain's British Columbia while also improving relations with Russia. Acquiring Alaska internally balanced against the British by gaining new access to valuable resources and access to the Asian trade market. After the treaty was signed on March 30th, publications focused on various aspects of the resource rich territory concentrating on: its fisheries, copper, silver, gold and fur—all of which undermined British Columbia's dominance in trade. As the United States expanded to the west coast, ports and merchant companies began trading with Asian counterparts overseas. Proponents of purchasing Alaska argued it would be a continuation of facilitating trade with Asian counterparts overseas. In a long speech to the Senate on April 8, 1867, Massachusetts Senator Charles Sumner argued Alaska improved profits and access: "further north, the harbors are abundant, and they are all nearer to the great marts of Japan and China. But San Francisco itself is nearer by the way of the Aleutians than by Honolulu" (Sumner 1867, 11-12). The route from San Francisco to Hong Kong through Honolulu took 7,140 miles. By way of the Aleutian circle, the route only lasts 6,060 miles. The United States sought out Alaska for its bountiful resources and opportunity to be a touchpoint for overseas trade.

The United States overtly balanced against Britain by purchasing the Alaska Territory to improve relations with the Russians. As the Civil War split the United States and destabilized world markets, the foreign policies of France, Russia, Spain, and Great Britain all needed to navigate its dealings with the Union and Confederacy carefully. Great Britain's behavior in the Civil War soured relations. Given Britain's heavy reliance on raw materials for its textile manufacturing, Seward, Lincoln, and other advisors rightly feared Britain could recognize the Confederacy. Doing so would grant the Confederacy nationhood, allowing access to foreign ports and the ability to negotiate military and economic treaties—tantamount to a Union defeat. Although the British government never recognized the Confederacy, several British merchants sold ships to the Confederacy. Among those sold was the Alabama that confiscated goods and burned ships that were headed to and from the North. As a result, the United States government accused Britain of breaking its neutrality and demanded reparations. British subversiveness during the Civil War was the latest series of transgressions against the United States. Sharing a common antipathy with Russia, U.S. policymakers seized the opportunity to diminish British presence in North America.

For the United States, acquiring Alaska built up its presence in the Pacific theater. Russia ceded the territory and gained valuable resources before outright losing it to invasion. The deal strengthened relations between the two powers and countered

Britain's power in North America. The pressures of multipolarity compelled the two actors to engage in a mutually beneficial transaction at the expense of a third. This underlying condition explains the strategic motivations that drove the Alaska Purchase, but to fully explain the land exchange for money requires observing the conditions that drove its economic motivations as well.

Financial Position: Russia's Bleeding Alaska and an Expanding United States

The instability of multipolarity provokes drastic balancing, such as direct purchases, in the international system. Paying $7.2 million for Alaska, the United States succeeded in inducing an Alaska Purchase due to, in part, an asymmetry of financial positions. The Russian-Alaskan Company struggled to generate profits and the Tsar's fiscal priorities lay elsewhere. Despite rebuilding from the Civil War only a year earlier, the United States possessed the financial means and expansionist ambitions to acquire Alaska. These opposing financial positions drove the economic motivations of each party in the Alaska Purchase.

Russia's Alaska was bleeding. Facing financial constraints, Russia lacked the ambition to reinforce the colony and opted to sell it. The Crimean War of 1857 and constant American smugglers prompted Tsar Alexander II to sanction a review committee to explore why the government struggled to properly extract wealth from the colony. The review committee discovered that rampant illegal trading with American smugglers undercut the already poor profits of the Russian-American company. In response, the committee suggested the government overtake the colonial administration entirely. Costing at least 250,000 rubles per year, the proposal acknowledged financial nonviability of such a recommendation. "All the financial resources of the country could be hardly sufficient to repay the expense of its defense or even simple administration." The recommendation would go nowhere and lay in limbo as state courts negotiated with the company to renew its charter. In 1866, pro-purchase Grand Duke Constantine and Finance Minister Reutern lobbied foreign minister Gorchakov to write a report to the Tsar. In it, Reutern argued the Russian-American company was a liability whose administration was either "unfortunate or inept". Saving the flailing company would require underwriting another charter or overtaking control of the colony which Reutern warned "will involve sacrifices not less burdensome" (Gorbachev 1866). The Russian-American company was $666,000 in debt and receiving $132,000 of subsidies annually, more than a quarter of its income (Gibson 1979, 184). Reutern argued Russia ought to direct its financial resources towards modernizing its network of railroads at home and developing its ties in Amur. Selling Alaska alone would not alleviate Russia's financial constraints, but financial issues certainly contributed to the decision to sell the colony rather than reinforce it (Gibson 1979, 186).

After the Civil War, the United States displayed ambition and enjoyed the capacity to finance its expansionist foreign policy (Farrow 2016, 57-8). Throughout the 19th century, Manifest Destiny fueled the United States' expansionist foreign policy.

Popular press and policymakers believed the United States would eventually absorb the entire North America continent (Farrow 2016, 56-58). As Seward put it in 1848, "our population is destined to roll resistless waves to the ice barriers of the north, and to encounter oriental civilization on the shores of the Pacific" (Farrow 2016, 28). The California Gold Rush of the 1850's and expansion of government spending during the Civil War gives insight into the United States' financial health. Acquired in 1848, the California territory produced more gold in the five years after it had been discovered than had been produced across the world during the previous 356 years, from 1492 untli 1848. In the year 1852 alone, California produced more gold than entire production in the entire 18th century (Mountford and Tuffnell 2018, 43-4). As a result, the economic boom vastly expanded the United States' money supply. In an April 1857 letter to the Tsar, Constantine saw this and feared Alaska would become the next victim of another California style gold rush: "I think we would do well to take advantage of the excess of money at the present time in the Treasury of the United States of America and sell them our North American colonies" (Constantine 1857).

In the lead up to the Civil War, the politics of incorporating another free territory hindered Seward from engaging in any serious deal making. The end of the Civil War settled the question of slavery and expanded the financial leeway of the federal government's spending. While the Civil War killed Americans, it birthed America's modern financial system. New financial power made purchasing Alaska easier than it otherwise would have been.

Had the Civil War not occurred, Seward would have faced more opposition with a lower federal budget to buy Alaska. The Civil War pushed the Union to reform the financial system to fund the war effort. This permanently raised the federal budget proceeding the war. In 1860, the year before the Civil War started, the federal budget was $78 million. The National Banking Acts of 1863 and 1864 established a uniform national currency, introduced bank charters issued by the federal government, and required banks to buy Union securities to finance the war effort (Grossman 2008). The Acts ballooned the federal budget to $1.31B in 1865 ("How the Civil War…" n.d.). Paying off war debts, the budget fell to $376M in 1867 ("Government Spending…" n.d.). The $7.2M purchase of Alaska was only 2% of 1867 spending but 10% of 1860 spending. The Civil War's financial reforms strengthened the American government's buying power. As government spending never returned to antebellum levels, ample room existed for policymakers to continue advancing its foreign policy. As a result, the United States possessed the capacity to fuel manifest destiny of foreign policy by acquiring new territory.

The second largest direct purchase in American history rested on similar conditions to the first one. Similar to France's strategic position, Russia feared Great Britain's ability to seize Alaska and balanced against them by ceding it to the United States. Financially constrained, Russia lacked the ambition to support a bleeding colony as it sought to refocus its spending closer to home. The United States, an expansionist state, seized the opportunity to, as Senator Charles Sumner put it, "dismiss one more monarch from this continent" (Sumner 1867, 11-16) Strategically, the United States bought Alaska to improve its access to trade in the Pacific, undermine Britain's presence in North America, and improve Russian-American relations was only financially possible thanks to the United States' capacity to fuel its foreign policy after the Civil War. The great power dynamics of multipolarity and contrast in financial positions drove the strategic and economic motivations behind the Alaska Purchase.

The 1946 Attempt of a Greenland Purchase

On December 14, 1946, Secretary of State James Byrnes made an offer to purchase all 800,000 square miles of Greenland to visiting Danish Foreign Minister Gustav Rasmussen. Deliberations by US foreign policymakers over the spring and summer of 1946 gives insight into the strategic and economic motivations behind the American offer. Above all, the United States devised that Greenland served as a strategic stepping stone to the Soviet Union in the emerging Cold War (*Time* 1947). This section tests the successful conditions of purchase from the nineteenth century against those of this unsuccessful 20th-century case. Under nascent bipolarity and financial comfort, the state of the two variables categorically differs and structurally explain why America presented an offer, but the Danes rejected it.

Denmark's' Greenland: A Pawn in the Multipolarity of War, Secured by Postwar Bipolarity

During World War II, explosive multipolarity provoked Denmark to simultaneously cooperate with Germany over the occupation of its sovereign homeland while also cede control of Greenland to the United States. On April 9, 1940, despite declaring neutrality a year earlier, Germany invaded Denmark who, facing military superiority, surrendered within hours. While Denmark cooperated with the Germans throughout the war. Greenland became an autonomous, unoccupied territory open to seizure by the Axis and Allied Powers. As early as May 1940, the United States Coast Guard began patrolling Greenland's shores. At the Havana Conference in July 1940, the United States invoked the Monroe Doctrine and vowed to defend the entire Western hemisphere from invasion—Greenland included. In late August 1940, twenty Nazi troopers were captured on Greenland's northeastern shore and fifty were intercepted at sea. Fearing that Hitler would make attempt to secure the island, the United States began negotiations to establish a military presence in the region (Grant 2010, 255-256) On April 9, 1941, against the wishes of the German-occupied Denmark government, Danish ambassador to the United States Henrik Kauffmann signed the United States-Greenland Defense Treaty with Secretary of State Cordell Hull. The agreement allowed the United States to build three air bases and various smaller stations across the island (U.S. Department of State 1943, 641-647). During the war, the United States helped occupied-Denmark by preventing Greenland from falling into the hands of their common enemy. After the war, US foreign policymakers sought to acquire it as the Soviet Union threat emerged.

Unlike the 19th century, the 1946 inquiry to purchase Greenland occurred in an era of emerging bipolarity in the wake of World War II. On March 5, 1946, in Fulton, Missouri, Winston Churchill famously surveyed the international setting, articulating that "an iron curtain has descended across the Continent." In the face of the Soviet threat, Churchill called for "a unity in [Western] Europe" built on the backbone of American nuclear weaponry (LaFeber 1967, 39). A year earlier, when German forces surrendered and withdrew from Denmark on May 4, 1945, the end of World War II triggered Article X of the 1941 Defense Treaty which allowed Denmark to terminate the defense agreement (U.S. Department of State 1943, 641-647). The United States sought to keep its several military and weather stations in Greenland as fears of the Soviet Union grew. Over 1944 and 1945, the Soviet Union expressed interest in acquiring the neighboring Norwegian Spitsbergen and Bear Island, less than a thousand miles east of Greenland. A January 20, 1947 *TIME* article summarizes the attempts made by Russian policymakers:

> In November 1944, Russia first asked Norway to share Spitsbergen with the Soviet Union, and to cede neighboring Bear Island outright. Trygve Lie, then Norway's Foreign Minister, refused. In April 1945, Russia tried again, suggested a joint regional defense system. Nothing came of that, either. At the U.N. Assembly last November [1945], Foreign Minister Molotov reminded Norway's Foreign Minister Halvard M. Lange that Russia was still interested (*TIME* 1947).

Fears of Soviet encroachment into the Arctic stirred U.S. foreign policymakers into wanting to permanently acquire Greenland (LaFeber 1967, 29). National Archives documents unearthed by a Danish newspaper in 1990 show an outright proposal to purchase first arose in November 1945 when Senator Owen Brewster called an acquisition a "military necessity" that was favored by military and naval authorities. In a May 1946 memo, William C. Trimble, assistant chief of the State Department's division of Northern European affairs, said the purchase would grant the United States force projection by establishing "valuable bases from which to launch an air counteroffensive over the Arctic area in the event of attack" (*AP News*, 1946). The global threat of the Soviet Union fueled a projective insecurity of the United States, but did not provoke Denmark to sell Greenland in the midst of rebuilding itself from the ruins of World War II.

Liberated from German occupation in May 1945, Danish policymakers perceived no immediate threat to its extraterritorial holding of Greenland, especially with the United States protecting the island. As a lesser power under control by Germany, Article I of the 1941 Defense Treaty had granted Denmark the best of both worlds by garnering American force protection while recognizing and respecting "the sovereignty of the Kingdom of Denmark over Greenland" (U.S. Department of State 1943, 641-647). This protective policy continued after the war in wake of a new threat. With the island already protected, the Danes faced little strategic motivation to outright transfer the territory but wanted the United States to stay. A month after Secretary of State Byrnes offered, Rasmussen wrote to the American Ambassador to Denmark Josiah Marvel Jr. that "while we owe much to America I do not feel that we owe them the whole island of Greenland" (Marvel 1945). Unlike the strategic position of France and Russia, Denmark did not face any imminent threat that could force the cession of Greenland. The emerging bipolarity of the system provides strategic insight into why the lesser power Denmark rejected the great power United States.

Healthy Finances: Spendthrift United States and a Resilient Denmark

Alongside emerging bipolarity, observing the financial positions of the United States and Denmark sheds light on why the United States offered an economic carrot, but it was not effective enough to induce Denmark into ceding its territory. When establishing a price, historians cite the May 24, 1946 memo where William C. Trimble, then assistant chief of the State Department's division of Northern European Affairs, suggested a $100 million figure in gold bars, approximately $1.4B in 2022 dollars (*AP News* 1946). Regardless of the offer size, analyzing the financial position of each actor explains why the United States could offer a carrot and the Danes lacked the hunger to bite.

America possessed the financial capacity and ambition to induce Denmark into ceding Greenland. 1946 followed the unprecedented wartime boom of the American economy that emboldened its geopolitics. The gross national product of the U.S. grew from $88.6B in 1939 to $135B in 1944 (Tassava, n.d). Byrnes' offer to acquire Greenland occurred in the same year that the United States began its massive undertaking of rebuilding World War II allies and enemies to fit American export and import needs (Takagi 1965, 6). In an April 1946 memo, State Department official John Hickerson reported on a Joint Chiefs of Staff Planning and Strategy Committee that "indicated money is plentiful now, that Greenland is completely worthless to Denmark [and] that the control of Greenland is indispensable to the safety of the United States" (*AP News* 1946). Benefitting from its wartime boom, America possessed the capacity and ambition to suggest around $100M for Greenland, a miniscule fraction of the $100B in US defense spending from 1946 to 1947 (Calhoun 1996). By 1952, the United States would spend nearly $15B in aid to reconstruct Western Europe and Japan (Tassava, n.d).

Why wasn't the offer financially enticing? Denmark in 1946 was financially comfortable. The Danish government was not financially constrained because it did not ambitiously overstretch itself like nineteenth century France and Russia. Denmark avoided the brunt of World War II economic effects by collaborating with its German occupiers and preserving a modest fiscal policy. Despite losing access to Allied markets, Denmark grew more integrated to German ones to maintain its domestic market with goods while preserving its industrial capacity after the war (Lund and Industriberetning 1949, 1-9). The worst pain arose from unpaid German debts which more than doubled the domestic money supply. Historian Phil Giltner notes that the excess Kroner in circulation was taken care of through a one-time tax that allowed exports to restart following the war (Giltner 2001, 489-490). Giltner concludes that the Danish economy would have been the same if Denmark had remained neutral during the war. (Giltner 2001, 506). By 1946, Denmark's GDP had swiftly recovered to its highest prewar level (Henriksen, n.d).

The resilient Danish economy powered a humble foreign policy that did not strain Denmark into ceding Greenland for its finances. World War II ended Denmark's sovereignty over its two territorial holdings, Greenland and the Faroe Islands (Leistikow 1939). Rather than ambitiously expand elsewhere, Denmark after the war sought to recoup its sovereign control over the two territories from the Allied Belligerents and emboldened self-governments. Regarding Greenland, in 1946, Denmark succeeded in affirming its sovereignty over the Greenland Assembly but had to allow the United States to continue controlling important military and weather stations (Dartmouth College Library Digital Collections, n.d). Danish policymakers realized they lacked the money to fund Greenland's defense from the Soviet Union alone. Despite being a weaker power in the looming Cold War, Denmark navigated a compromise—renewing the defense agreement with the United States while also renewing the old paternalism over the territory's government. Prime Minister Medtoft addressed the question of Greenland on January 23, 1948: rs:

> Why not sell Greenland? Because it would not be in accordance with our honor and conscience to sell Greenland. The Greenlanders are and feel they are our countrymen and we feel tightly bound to them (Medtoft 1948).

The unsuccessful case of American economic statecraft to acquire Greenland sheds light on the importance of multipolar dynamics and contrasting financial positions in direct purchases. The United States offered to purchase Greenland due to the emerging threat of the Soviet Union coupled with its unbridled financial supremacy following World War II. Denmark was cooperating with its German occupants while allowing the Danish economy to quickly recover after the war. Denmark sat strategically secure under nascent bipolarity, especially with the United States already protecting Greenland. Denmark lacked the strategic and economic impetus necessary to cede Greenland and rejected the offer, but they did renew the 1941 defense agreement in 1946. Indeed, as historians Beukel, Jensen, and Rytter chronicle, "the treaty was the first important step toward a permanent part of Denmark's security policy, namely an American commitment to Denmark as an ally and as the country with sovereignty over Greenland as an active player in NATO." (Rytter, Jensen and Beukel 2009, 29) Since World War II, American forces have never left Denmark's Greenland.

Conclusion

So much of the economic statecraft literature focuses on assessing negative sanctions and its failures as a tool of influence. Great difficulty lies in successfully depriving another actor economically to change its behavior. For example, sanctions often trigger a "rally around the flag effect" that increases the target's resolve. Less is appreciated or understood about the success of positive economic statecraft. This section begins by establishing the significance of the successful U.S. direct purchases, then reiterates the necessary variables, and discusses the ongoing relevance of purchases today.

Among many positive tools, the cases today testify to how direct purchases for land prove particularly consequential, capable of altering the balance of power. Only two decades after successfully revolting against Great Britain, the Louisiana Purchase of 1803 marked an important landmark in the United States' ascendancy to great power status. The value of 827,000 square miles of resources can never be truly ascertained (Barbé-Marbois and Lawrence 2018, 291) and its consequentiality needs little defending. Historian Frank Cogliano went as far as arguing the American republic might have re-joined the British empire had France not sold Louisiana (Cogliano 2014). The territory effectively doubled the area of the United States. It also provided a platform of westward expansion by expulsing France from North America, provoking conflict between indigenous people and encroaching settlers, and later pressuring Spain and England to cede their own western territories. Today, the territory consists of 15 states whose industries provide the backbone for the United States' prowess in agriculture and manufacturing alike.

While Louisiana founded the United States' expansion across North America, the Alaska Purchase confirmed the United States' status as a continental power. Dismissing Russia from the continent, the Alaska Purchase successfully isolated England's British Colombia and even provoked fears among British newspapers that its annexation would be next (Farrow 2016).

Annexation would not occur, but Britain certainly took a backseat in North American affairs after 1867. In sheer size alone, the 586,000 square miles acquired is bigger than the size of Montana, Texas, and California combined. The state's economy harnesses plentiful resources of oil and gas, fisheries, and forests and now provides Alaskans with a resource dividend. Strategically, Alaska projects US power abroad in the Pacific to allies and adversaries alike (Forsyth 2018). In a 1935 testimony to Congress, Brigadier General Billy Mitchell testified to Congress that "Alaska is the most strategic place on earth" (Garfield 1995, 59). As the closest US state to the center of the Northern hemisphere, the state's capital of Juneau sits closer to many other national capitals than other major US population centers. During the Cold War, Alaska donned the title of "Guardian of the North", serving as the first line of defense against an attack over the Pacific from the Soviet Union (National Park Service 2021) As rising global temperatures open new Arctic trading routes, Alaska's proximity to the North Pole will only increase in value. By direct purchase, the acquisition of Alaska and Louisiana elevated a weaker state to great power status.

Comparing the successful cases to the failed attempt to purchase Greenland reveals two variables necessary for the direct purchase of land: multipolarity and contrasting financial position. In both successful cases, competitive multipolarity forced each seller to triage their geopolitical priorities and to cede holdings outside their main focus. France in 1803 faced the prospect of war with Great Britain and other great powers in Europe. Russia had held the fear of Great Britain invading Alaska and its colonies closer to home since the Crimea War of 1857.Financially, each sellers' geopolitical ambition and inability to finance the territory, made the American carrot especially attractive. For the United States in both 1803 and 1867, purely relative power calculations would indicate it lacked the capability to make major gains under an era marked by great power competition. But as a weaker power with humbler goals and stronger finances to fund them, the United States could capitalize on the opportunity to expand across the North American landmass. Both cases exemplify how purchases, as a form of positive economic statecraft, are momentous.

These variables explain why purchase attempts fail, but they also show the states possess the opportunity to extend its power in others' territories in the long term through less overt methods. The variables markedly differ in the case of the Truman Administration's attempt to purchase Greenland from Denmark following World War II. The multipolarity of World War II prompted German-occupied Denmark into ceding the control, but not the sovereignty, of its colony to the United States. As bipolarity emerged after World War II, Denmark lacked the direct pressure to sell Greenland. As a lesser power, Denmark felt relatively secure and financially comfortable. But American bases and troops have remained on the island since 1941. As multipolar dynamics return to the international arena, more opportunities for perpetuating force in another's territory will present themselves . If the recipient of that economic statecraft is in financial straits, then purchase could once again be possible.

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When Signals Matter: Factors that Determine Signaling Success

Thomas Brown

The transmission of signals to indicate the intent, resolve, or capabilities of a signaling actor to a signal recipient has been used to justify the enactment of economic sanctions, which many studies have shown to be largely ineffective at achieving their intended goal. However, the mere sending of a signal does not guarantee that that signal matters—that it results in a change in the actions or perceptions of the signal recipient. This paper analyzes the conceptual conditions that allow for a signal to be sent and which aspects can prevent a signal from creating a material change that would not have otherwise occurred. Due to three internal qualities of a signal—its clarity, the costs it imposes on the sender, and its multilateral backing—not all signals signal equally; furthermore, the presence of five qualities—the target's resolve, image gains calculus, relationship with the sender, regime type, and vulnerability—determines that not all signals matter equally. Using this analysis, this paper then examines the 1980 U.S. wheat embargo against the USSR to illustrate the appearance and interplay of these factors.

Introduction

Throughout the past century, economic sanctions have become an "independent instrument of foreign policy": an alternative tool to the "increasingly violent and destructive" hard power of military action (Nephew 2018, 2). Much of the literature on economic statecraft, however, finds that sanctions regimes are rarely successful in achieving a concrete policy goal. While Hufbauer, Schott, and Elliot found that 34% of economic sanctions from 1914 to 1990 were a "success"—much higher than the perceived effectiveness of sanctions at the time—Robert Pape's analysis finds that only 5 of their 115 case studies "are appropriately considered successes" (Pape 1997, 92-93).

There is thus a solid foundation in the literature establishing the "traditional use of sanctions as a punishment or agent of coercion is largely passé" (Gavin 1989, 3). However, when the goals of a sanctions regime are redefined to include a wider variety of strategic objectives, the transmission of intended signals can largely be used to (re-)label a sanctions regime as a success. In fact, data from the Targeted Sanctions Consortium of United Nations Sanctions shows that sanctions intending to signal or constrain are almost three times as effective as sanctions intending to coerce a policy change (Biersteker and van Bergeijk 2015, 19). David Baldwin, who frequently undertakes this kind of revisionist analysis in his book Economic Statecraft, disputes

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claims that signal-sending purposes of sanctions serve nothing more than a "symbolic" purpose, arguing instead that signals "constitute influence attempts" in the same way demonstrations of military force do (Baldwin 2020, xix-xx). He proclaims: "Using sanctions for signaling purposes is not an alternative to using them as instruments of statecraft; it is statecraft" (Baldwin 2020, xx).

The evidence is strong: sanctions can and do send signals. But a key question arises: do they matter? A term like "matter" is broad and does not immediately present a metric for evaluating if signals sent by a sanctions regime result in a material change in outcome that would not have otherwise occurred, nor does it provide an understanding of the extent of a signal's significance. This paper thus looks at changes in a signal recipient's behavior and decision-making that occur as a result of having received a signal; a signal may then "matter" when the actions or perceptions of a recipient change in a way that adheres to the objectives of the sending state, reflects the influence of the signal sender, or otherwise alters the political calculus of the signal sender—equally general words like "significant" or "effective" are defined in this paper by a similar understanding. Ultimately, this paper finds that not all signals signal equally, and furthermore, even signals of equal strength may not matter equally.

The paper that follows consists of five further sections. The first three sections are conceptual: the first defines what signals are and to whom they are sent and why; the second discusses three internal qualities of sanctions (and signals themselves) that lead to signals being sent; and the third hypothesizes and analyzes five external factors to sanctions and signals that can either bolster or mitigate signal effectiveness. The fourth section is empirical. In this section, I use the U.S. grain embargo of 1980 against the USSR following the Soviet invasion of Afghanistan as an illustrative example of how many of the characteristics and analysis contained within Sections Two and Three are revealed in reality. The example analyzes how many of these factors can bolster or mitigate the effectiveness of signals sent to the targeted state, to allies of the sender, and to domestic audiences of the sender. The paper's fifth and final section concludes that this renewed understanding of signal effectiveness should reshape the debate on the utility of economic sanctions and provides further areas of study on signals.

I. SIGNALING: A CONCEPTUAL BACKGROUND

What are Signals, and Why Send Them?

At its most basic level, a "signal" within the study of international relations can be defined exactly as one would define it outside of academia: they are actions that convey information or indicate intent. International relations theorists progress this simple definition by considering how signaling may—or more accurately must—be used strategically by rational actors when enacting foreign policy. Signaling therefore occurs when one state—the sending or targeting state—wants to provide information or indicate their policy preferences to another state — the recipient or targeted state — because the decisions made by the recipient state will affect the sending state.

Gartzke et al. provide a thorough definition: "signaling is the purposive and strategic revealing of information about intent, resolve, and/or capabilities by an actor A to alter the decisions of another actor B to improve the chances that an outcome desired by A is reached when the desired outcomes of A and B are dissimilar" (2017, 3).

The importance of signaling is grounded in a realist worldview. In an anarchic state where no global authority is capable of enforcing promises, threats, or agreements, signaling is an essential practice for rational actors to indicate their capabilities and intent to other actors. Baldwin calls signals "intrinsic to strategic interaction": in order for one actor to come up with "their best strategy," they must rely on what strategy they predict other actors will adopt (2020, xiii). Regardless of whether an actor is being truthful, signals are used to fill gaps created by asymmetric information. It is up to the signal sender to determine how they can use signals to indicate to other actors either what actions they will truly undertake, or what actions it wants other actors to think it will undertake (in order to improve the sending state's informational advantage). This potential for ambiguity means that miscommunication can occur when "the sender and the recipient differ about the meaning of the signal" (Gartzke et al. 2017, 3). In this sense, signaling can occur intentionally or unintentionally surrounding any action an actor takes. In addition to diplomacy, propaganda, and military action, economic sanctions are undertaken for imaging purposes that directly or indirectly convey signals to recipients (Baldwin 2020, xiii).

Signal and Sanction Motivations

When transmitted through sanctions, the purpose of a signal can be observed through the functions of the sanction. A trade suspension, for example, can be adopted to "signal the potential of still worse pain to come if the target fails to comply" (Pape 1997, 94). They can also "trigger a sense of shame, impose a sense of isolation from the world community, signal a willingness to use more radical measures, or simply provoke a reexamination of policy stances in the target country" (Baldwin 2020, 64). Ultimately, signals indicate the preferences of a targeting state — be that their approval and disapproval of other states' policies or their willingness to escalate disputes. They can signal alliance commitments, attempt solutions to collective action problems, and indicate a willingness to cooperate (Gartzke et al. 2017, 4). In the vein of informing other actors of their policy stances, signals are commonly called a "demonstration of resolve," as they indicate the extent to which the targeting actor is willing to stand behind its policy stance (Hufbauer and Schott 1985, 9).

Economic sanctions can be a particularly effective transmitter of signals. The idea of using a bloodless alternative to military statecraft is an attractive option in and of itself, but one of the many reasons why sanctions are undertaken is because the pain they cause has a similar desired effect to that of military statecraft. In the words of Richard Nephew, states targeted by sanctions "face a choice between capitulation and resistance, between the comparatively easy path of compromise and the sterner path of confrontation" — similarly to staring at troops lined across a battlefield (2018, 11).

On the other side of the spectrum, diplomatic condemnation can rhetorically convey a sending state's stance but does not create pain for the targeted state. Thus sanctions, which create costs for the recipient and the sender (as will be discussed in Section Two), are a "powerful way to communicate norms" (Biersteker and van Bergeijk 2015, 19).

In a more nuanced argument, sending signals through sanctioning can be preferable to the alternative signal that can be sent by inaction. Even when the potential for a sanctions regime to alter the behavior of an adversarial state is low, cost-benefit analysis may reveal that the costs of "lost confidence at home and abroad in the ability or willingness" of the targeting state "to act" may be greater than the costs incurred by the sanction itself (Hufbauer and Schott 1985, 9).

Signal Recipients

The motivations driving the sending of signals is elucidated when looking at whom the recipients of any signal may be. Signals can be sent to parties other than just the state targeted by a sanctions regime. This paper recognizes three possible types of signal recipients: the targeted state and its population, allies and non-involved third parties, and domestic audiences within the targeting state. Within any single sanctions regime, different signals can be sent to these three groups, whose interests and relationship to the targeting state vary greatly.

The most obvious recipient of a signal is the state or states targeted by a sanction. Policy goals of sanctions beyond signaling involve substantively influencing the policies or regime of the targeted state, which can take on the form of deterrence, regime change, policy change, or norms setting. In theory, but rarely realized, economic sanctions can achieve these goals due to the pain they inflict on the targeted state. By inflicting hardship upon the target, the sender hopes to create a "sufficiently onerous" environment to the extent that the target no longer considers the benefits of continuing its first-choice policies to outweigh the costs it will continue to incur from a sanctions regime directed at the maintenance of their first-choice policies (Nephew 2018, 9). The ability of the target to endure this pain over a long enough period of time can determine whether a sanctions regime was successful or not.

Signals from sanctions can also target the domestic audiences within the targeted state. When the goal of a sanctions regime is to signal disapproval of the targeted state's government, the imposition of sanctions can "increase previously existing dissent" or mobilize a "previously uncommitted and passive" population to create new opposition within the targeted state (Grauvogel et al. 2017, 86). The signal to would-be protesters carried by sanctions is successful because it indicates an "international stamp of approval for antiregime activity" (ibid., 86). These signals increase protest rates in targeted countries: Grauvogel et al. find that the incident rate of protests increases by 59% in the presence of a new threat of sanctions (ibid., 92).

Targeting states must also be aware of signals that are sent to their allies or countries not directly involved in the sanctions regime. Signals can be sent to allies to prevent them from "escalating a conflict and resorting to the use of military force" or can serve as a warning to "other actors tempted to pursue similar policies" to any undertaken by the targeted regime (Biersteker and van Bergeijk 2015, 19). Signals can also help allies find common ground as a form of "purposive communication that helps states realize their interests are aligned on issues such as technical standards, climate change, or human rights" (Gartzke et al. 2017, 5). Ultimately, the repeated transmission and reception of signals between allies builds up a state's reputation — a "long-term" perception that differs from the "short-term" perceptions offered by signals — in a way that can foster relationships and lead to greater cooperation (ibid., 6).

Domestic audiences of the targeting state, a category which refers to groups like opposition parties and interest groups and the targeting state's population and electorate, are rarely considered in sanctions literature but can still receive signals from their state's decision makers. When a targeting state creates a sanctions regime — either through legislators voting for it or an administration enacting it — a signal indicative of a legislator's or the state's support for the motivation driving the sanction itself can be sent to the relevant electorate. Legislators are particularly receptive to this signaling logic. Voting to approve a sanctions regime is a visible signal to the public that a decision maker agrees with condemning the action or policy that a sanction is targeting. When a sanctions regime is driven by a reaction to "popular causes" like human rights abuses, for example, a legislator's vote against enacting the sanctions "risks damaging [their] constituent support" (Gavin 1989, 7).

II. Internal Factors To Signal Success

It is important to understand not only how signals work, but also what sets up the potential for signals to be effective. This section discusses three established characteristics — signal clarity, the imposition of costs on the sender, and multilateral support — that ensure signals aligning with the objectives of the sender are most likely to be sent. In many signaling cases, these factors help to indicate the resolve of the sender, meaning that the presence of these factors can increase the awareness of the targeted state of the sender's preferences and determination to have those preferences be realized. The varying presence of these three factors within a sanctions regime evidence the conclusion that not all signals signal equally.

Clarity

Signal clarity is at once the most obvious factor that relates to signals. Intuitively, one can understand that in order for a state to indicate its resolve relating to a specific action or policy, there must be very little ambiguity about what that resolve actually looks like. Clarity is thus important for the interrelated elements of signal transmission and signal content.

When sending a signal, a state must only send one signal (per issue or action) to the target state, which means that the signal must be unified among the differing preferences among decision makers. Although the unitary actor assumption simplifies decision-making theory by reducing a government's decision-making process to being under the control of one person, there are realistically hundreds of elected officials, policy wonks, Cabinet level authorities, and high-ranking staff members who influence it. Each person likely has their own opinions and preferences for determining which states and policies should be targeted, and what position of the sender is to be sent in a signal. However, the resulting signal must provide a sole, unified platform that will not be undermined by deviating opinions.

The same signal must also be sent from all levels of the sending state. A state governor in the U.S., for example, may contradict an official immigration policy of the federal government that restricts immigration by granting asylum to refugees. In this case, conflicting signals are about American preferences for immigration policy. Thus, in a federal system, one way to guarantee signal clarity is to "fully control policy at the national level" to avoid the sending of conflicting signals at the state or local level (Gavin 1989, 9). Political unity must also be high within the federal level itself: in order for a clear signal to be sent in the U.S., for example, Congress must avoid "grappling" with the Presidency for control of the direction of sanctions policy (ibid., 9). Such unity may thus be difficult to sustain when the executive and legislative branches of government are controlled by different political parties.

Clarity must also be found within the content of the signal and sanction itself. "Targets are more likely to comply with narrowly articulated goals" instead of "vaguely defined, general goals" (Biersteker and van Bergeijk 2015, 26). Unless the sole purpose of a sanctions regime is to punish a state, signals must contain an "expectation" about what objective or standard the targeted state must attain in order to satisfy the targeting state and compel them to cease the inflicting of pain (Nephew 2018, 48). Thus, clear signals are those that give the targeted state the best idea of what policy is being targeted and why.

While this subsection establishes the importance of clarity and the factors that can impede it, the rest of this first conceptual section discusses factors that can indicate the clear resolve and unity of the targeting state or states: costs and multilateralism.

Clarity

The imposition of costs — unpleasant and undesirable economic, political, social, military, or strategic consequences — on the targeting state itself aids the establishment of the targeting state's resolve, which drives the credibility of a sanctions regime. The significance of costs in signaling theory can best be understood when looking at the preference of targeting states to use signals to warn targeted states of future military action should the targeted state refuse to cease the policy disliked by the targeting state; such signaled warfare would incur its own high and undesired military and economic costs on both the targeting and targeted states which are more undesired than predicaments under the status quo (Fearon 1997). However, because the targeted state "cannot directly observe the threatener's preferences" and the targeted state "knows the threatener has an incentive to pretend to be 'resolved,'" the targeted state must rely on only received signals from the targeting state to gauge whether threats of future military action — which would be conveyed by preemptive actions like sanctions — carry any weight behind them (ibid., 69). The problem that arises centers around credibility: how can a signal be believed if the sender "has an incentive to bluff"? (Quek 2021, 537). Incurring costs, which imply the targeting state's resolve to potentially go to war over the issue at the heart of a sanctions regime, builds this credibility that the chances of war should the targeting state's demonstrated preferences be unrealized are probable, if not certain. Figure 1 explains the decision-making process behind sending and interpreting signals from a cost perspective:

A highly resolved state will be able to successfully deter a targeted state, who understands that failing to comply will result in the worse, costlier outcome of war. In contrast, when a targeted state either calls the targeting state's bluff or is willing to incur these potential worse costs, a war scenario will occur. When a targeting state has low resolve, the targeted state can safely maintain the status quo — an unfavorable policy to the targeting state — without fear of repercussion. This game reveals that there is no incentive for a targeted state to comply with a signal sent by an unresolved state. The logic is simple: there is no reason, for example, why a cheating student will stop cheating if he believes that his teacher will never go so far as to fail him. (In this example, a teacher with low-resolve may simply take off an acceptable number of points from the cheater's exams.) Fearon explains: "For a threat to increase the target's belief that that sender would be willing to fight, it must be more likely that a resolved state would make the threat than an unresolved state" (1997, 69). It is thus always in the interest of the targeting state to signal a high resolve to establish credible perceptions in the mind of the targeted state, even if — especially if — its resolve is low. This necessary resolve can be indicated by incurring costs.

To establish the credibility of a signal, Fearon states that a targeting actor "can send signals that either tie their hands or sink costs" (ibid., 70). The "tying hands" approach establishes a cost that the targeting state would incur if it either backs down from an intended policy decision or fails to achieve the goal of the policy decision. For example, tying hands signals are created when a state leader makes "public statements of intent" (ibid., 70). The success of the tying hands approach lies in its ability to create audience costs. Audience costs, which arise from "the reaction of domestic political audiences interested in whether foreign policy is being successfully or unsuccessfully handled by the leadership," can punish the leadership of the targeting state for a poor performance (ibid., 69). If the leader backs down, he looks naïve and hypocritical, but if his policy decision fails, he looks foolish and incompetent as a leader. Thus, the potential costs to be incurred by the targeting state are political, as a leader may lose credibility, domestic support, or even a future election, and reputational, as the "national prestige" of the targeting state may be reduced (ibid., 70).

Sunk costs are more literal: they are incurred when a state takes an action that incurs a cost, but the action itself does not change the political calculus of escalating tension to combat or acquiescing. "Pure" examples of sunk costs include "building arms or mobilizing troops" (ibid., 70). The loss of trade and financial burden placed on the targeting state during an economic sanctions regime also serve as sunk costs. The greater the imposed cost, meaning the more severe penalties the targeting state is willing to impose on its own economy and citizens, the greater its resolve will appear to be to the targeted state.

More recently, Quek observes that the tying hands and sunk costs approaches can be differentiated based on time frame differences — tying hands costs are incurred in the future and sunk costs are incurred in the present — and their contingency — tying hands costs are only incurred if the signaler backs down or fails and sunk costs are incurred regardless of future actions of the signal sender (2021, 538). Quek thus derives two further ways to incur high costs that send credible signals from Fearon's theories: installment costs and reducible costs (ibid.). Installment costs "are fixed costs that will be incurred in the future"; an example would be the costs a targeting state incurs while maintaining a nuclear base in a different state it wants to defend, which is beyond the initial cost needed to build the base (ibid.). A significant difference between sunk costs and installment costs is that the latter involves calculating costs on "beliefs about the future" (ibid., 539). Thus the targeted state, in determining its response, must determine if the targeting state's resolve is strong enough to maintain this cost for potentially years to come.

Reducible costs are "costs that have been paid but can be offset in the future contingent on the signaler's action." Like tying hands costs, reducible costs are contingent on the sender's fulfillment of the signal threat, but they are instead incurred in the present (ibid., 540). Whereas the calculation of installment costs are based on the time dimension, reducible costs are calculated by determining how likely the sending state is to fulfill its signaled message (ibid., 541). Quek identifies three frames of reducible costs that can best be described through examples of preparing for war (which signal to the targeted state the high resolve of the sender.) Costs can be reduced "computationally": purchasing weapons reduces the costs that would need to be paid if the state progresses to war. Costs can also be reduced "substantively": evacuating citizens away from a conflict zone eliminates the costs needed to protect them during war. Finally, costs can be reduced "indirectly" by increasing the benefits of war: an increase in taxes for military defense spending may spur political consequences for the government, but having to go to war would benefit from this outcome, and the government would receive political rewards for its foresight (ibid., 541-542).

The common themes that emerge from the four kinds of signaling cost mechanisms — tying hands costs, sunk costs, installment costs, and reducible costs — are the establishment of the sending state's credibility and resolve. In order for signals to be both sent and believed, they must convey at least the appearance of high credibility and high resolve. Incurring costs can "separate a signal of resolve from a bluff" and employing multiple kinds of costs can "augment" a state's signal (ibid., 542). Signals that fall short provide no cost-benefit change in the decision-making calculus of the targeted state to warrant a change in policy. In fact, "sending a smaller, half-hearted signal" can have a more negative effect for the targeting state than sending no signal at all, as the targeted state may determine the targeting state lacks any resolve at all, and thus unlikely to escalate a challenge to the targeted state (ibid., 545).

The imposition of costs highlights why economic statecraft — particularly sanctions — are an effective transmitter of signals. Baldwin notes that because "economic techniques usually cost more than propaganda or diplomacy," they have a higher "inherent credibility"; on the other end of the spectrum, military statecraft "entails higher costs" and therefore possess even greater credibility, but their costs may be untenable or undesired by the targeting state (2020, 110).

Multilateralism

Multilateral threats and sanctions send stronger signals because "they indicate a broader base of international support" than signals sent by a single state (Grauvogel et al. 2017, 93). In other words, multilateralism demonstrates a common resolve among multiple targeting states. Building upon the first signal characteristic of this section, multilateralism provides the "clarity and consistency" from the targeting actors to transmit a signal (ibid., 95). This observation is in line with cooperation theory, a "central tenet" of which states that collaboration between "a sufficient number of powerful states" can "manage the international system and punish defections" from international norms (Drezner 2000, 74).

However, some scholars have found that multilateralism provides no greater chance for sanctions success than do unilateral sanctions. Bapat and Morgan cite four studies that find "unilateral sanctions appear much more effective than do multilateral efforts" (2009, 1075). However, when they use a different data set "with a greater number of cases over multiple dispute types" to those four studies, they come to a conclusion in line with that of Grauvogel et al.: "multilateral sanctions are indeed more effective than unilateral sanctions" (ibid., 1076). While this paper focuses on signal and signaling success, instead of sanctions success, the contradiction on multilateralism is considered here because the arguments against multilateral effectiveness can be mitigated in the presence of international institutions.

International institutions resolve the bargaining and enforcement problems that emerge from multiple actors working together without the presence of an overarching authority (Drezner 2000). Multilateral cooperation can be "sabotaged by roadblocks at the bargaining stage," as targeting states determine what will specifically comprise the sanctions regime (Drezner 2000, 83). And when multiple states cooperate on a sanctions regime, a collective action problem results: an individual state could likely break the conditions of the sanctions to stop incurring costs and hope that its lack of resolve does not disrupt the entire sanctions regime (Drezner 2000, 83). Drezner finds that institutional support resolves these problems through the establishment of "reputation costs" (created through international mandates) that come into effect after a reversal of a state's position; institutional support thus signals to the targeted state that "backsliding is not likely to occur" (ibid., 87). Again, we can see that clarity and costs among targeting states are crucial for signaling success, especially among multilateral efforts. Sitting down at a table provided by an international institution ensures that all targeting actors are on the same page of how the sanctions will operate and how they will participate in the regime throughout its existence. International institutions are able to accomplish this feat because signal recipients "value the opinions" they provide in assessing the "validity" of the sender's threats (Gartzke et al. 2017, 14). The contribution of reputation costs to signaling success, which have a similar effect to audience costs, demonstrates not only the importance of targeting states self-imposing costs on themselves, but also highlights the visibility of those costs to targeted actors.

III. External Factors To Signal Success

The above internal factors describe characteristics of signals that make them most likely to be transmitted in a way that both represents the objective of the sender and is also likely to be understood by the recipient. However, even if the clearest, costliest, and most multilaterally backed signal is received by a state, that does not necessarily mean that the signal then matters. This paper hypothesizes that five external factors to a signal — recipient resolve, imaging calculus, sender-recipient relationship, regime type, and vulnerability — can either bolster or mitigate a signal's effectiveness. Grounded in both international relations theories and specific signaling theories, these factors demonstrate that the mere sending of a signal does not guarantee that it will result in a material outcome.

The consideration of these external factors raises an interesting observation about the central question of this paper, which seeks to determine when signals matter. As has been discussed earlier, signals, when transmitted and received, consistently inform the decision-making process of the signal recipient. In this sense, sent signals will always matter, because they play a fundamental role in determining a rational actor's response to the signal sender. This section, however, examines external impediments that may hinder a signal's ability to act as an influence attempt by the targeting state. The potential presence of the following factors in the environment of a sanctions regime broach the conclusion that signals of equal strength — those with similar clarity, costs, and multilateralism — may not matter equally.

Resolve of Recipient

Much of the literature on sanctions focuses on the resolve of the targeting state, as it is their resolve that must be demonstrated by a sanctions regime and any corresponding signals. This paper now considers the resolve of the recipient actor. Here, "resolve" reflects not only the willingness of a signal recipient to endure a sanctions regime, but also their determination and desire to continue to achieve its own first-choice policy objectives.

For states, resolve may take on the appearance of geopolitical ambition. Cohen looks at this characteristic in relation to a different form of economic statecraft, currency statecraft, and finds that it is the dominant factor that determines whether a state with the capability to internationalize its currency actually will do so (2019). A state's geopolitical ambition is "a reflection of how a nation defines its proper place in the global order" (ibid., 48). This ambition carries over to a state's receptiveness to sanctions. A target may receive a signal from the sender that attempts to deter them from a current course of action. Even if the target fully understands that the sender disapproves of this course of action and is willing to impose costs, the recipient may decide that its desire for power and influence supersedes such costs.

This apparent "risk tolerance" of targeted states underscores how the perception of costs can interfere with the framework under which sanctions operate (Biersteker and van Bergeijk 2015, 23). At the end of the day, signals aim to fill an information gap in order for more accurate cost-benefit analyses to be conducted. An actor can consider the costs of acquiescing or continuing, and then ultimately decide that even the higher costs incurred by sanctions or the higher future cost of an escalated conflict are worth the continued undertaking of their current path. As the formation of a state's geopolitical identity and policy decisions are "fundamentally grounded" in its "most cherished values and norms," the presence of high ambition of that state can be extremely difficult to overcome by a sending state (Cohen 2019, 54).

Changes to Image

Another factor that recipients must consider is how their reaction to the signal will affect their image. After being met by a sanctions threat, a state "may reveal weakness" if it acquiesces, which may "spill over to and have an adverse effect on other international negotiations" (Biersteker and van Bergeijk 2015, 22). In effect, an actor's response to a signal can constitute a new signal itself, as it clarifies information and perceptions held by the originally targeting actor.

A state that wants to appear strong — meaning powerful and independent from outside influence — has incentives to refuse to capitulate to the targeting state. A signal may clarify information and communicate a clear stance of the sender, but it may still be ineffective due to the lack of desire of the targeted state to even consider the acquiescence option. This external factor contrasts with the geopolitical ambition factor discussed above. Whereas the latter is indicative of a state's desire to chase benefits even in light of potentially increasing costs, the former reflects a desire to maintain credibility and appearance of power. Furthermore, the targeting state can appear more powerful if the state acquiesces. There is thus a zero-sum game between sender and recipient, in which if the recipient resists, the power of the sender appears diminished and the reverse occurs if the recipient capitulates.

The creation of images can be found in a state's reputation and desire to maintain its credibility. Several game theory models look at reputation as a kind of "property that can be invested in and built up" (Guisinger and Smith 2002, 176).

Within a sanctions game, a sender is aware that it "can make and follow through on threats not for the immediate gains but to achieve a reputation for a certain trait" which can often lead to the establishment of traits typical of a powerful state, like "aggressiveness, resolve, and toughness" (ibid., 176).

History of Sender-Recipient Relationship

A signal recipient can also consider the past usage of sanctions by the targeting state and its own historical relationship with that state. A state with a "history of strong sanctions" may magnify its "reputation and make its threats more credible" (Biersteker and van Bergeijk 2015, 22). In parallel, a state that has a history of rarely following through on sanctions threats can indicate to the targeted state that regardless of what a signal says, the targeting state's resolve may be low. In this case, a sender's reputation must be built up again before the signals it sends are credible enough to be believed by the recipient.

This factor highlights the differences in reputation and signaling between signal senders and their allies and their rivals. Mercer (1996) finds that it is perceptions of reputations, not reputations themselves, that can alter signal effectiveness. For example, "in the case of a rival, even 'weak' behavior is typically perceived as a strategic move rather than a demonstration of a lack of resolve." Thus, the credibility of signals between rivals (and likely foes as well) is at an inherent disadvantage. Reputation and past behavior may thus be a greater indicator of signaling success between the sending state and their allies. If alliances are based on mutual trust between states, it takes a buildup of credible commitments for these relationships to stick. This is a reason why Guisinger and Smith find that a state's honesty in past behavior is crucial for the development of its reputation (2002). Gibler reaches a similar finding, writing that "leaders seek other leaders who honor their commitments and avoid those leaders who do not" within alliance formation (2008, 446).

Regime Type and Institutions

A fourth external signal factor that can impact signal effectiveness is the regime type and institutions of the targeting state, a trait that depends largely on the ability of a state to establish audience costs. Signals established through a tying hands approach work because of the political consequences of audience costs; the presence of "credible opposition parties and a free press" in democracies means that elected decision makers are more adept at demonstrating their resolve (Lektzian and Sprecher 2000, 418). The presence of these institutions makes threats more credible "because the domestic risk of bluffing forces the government to choose threats selectively" (Gartzke et al. 2017, 12). In contrast, non-democratic states, which "lack the institutional mechanisms to generate domestic costs," are "unable to use economic sanctions as signals of resolve" (Hart 2000, 268). Whereas all states regardless of regime type are able to establish costs—as sunk costs do not require the presence of audience costs—the tying hands approach is a more effective way of demonstrating a credible commitment (Fearon 1997, 71). Hart agrees with Fearon (1997) and Lektzian and Sprecher (2007) that democracies tend to experience greater success with economic sanctions because of this credible commitment, finding that "democratic senders are 54% more likely" to experience successful sanctions regimes (2000, 279). However, signals from democratic states can still be weaker than those sent by non-democratic states. Liable to their electorate, democratic regimes face domestic pressure to devise sanctions to be costless to the sender" (Lektzian and Sprecher 2000, 415). When a sanctions regime benefits the targeting state, "very little, if any, resolve is displayed" (ibid., 426). In line with the earlier established idea that demonstrating a lack of resolve increases the probability of military action, democratic sending states are also more likely to go to war because they do not wish to incur the political costs of backing down (ibid., 418).

Thus, signals coming from democratic states' economic sanctions are more likely to matter because they are more credible. When analyzing the finding that democratic states' sanctions are more likely to lead to war—which is what sanctions typically aim to avoid—it is important to remember that the signal still had an effect. This paper does not contest that economic sanctions may fail or that signals may convey an unintended message or lead to an undesired outcome. Even if signals indicate a lack of resolve to the targeted state, this is still an example of a signal being sent and then playing a significant role in the decision-making calculus of that recipient.

Vulnerability

The vulnerability factor is grounded most clearly in the standard cost-benefit analysis of rational decision-making. When confronted by a signal from a targeting state, the signal recipient can choose to either ignore the signal and maintain the status quo, or acquiesce to the desires of the sender. The literal costs of economic sanctions and the self-imposed costs on the sender create a cost-benefit analysis that the recipient must undertake to determine the sender's resolve. In essence, should the recipient call the sender's bluff and continue as it had been, or is the risk of incurring future costs too great and certain and therefore must obey? However, this calculus can be altered. What if the targeted state cannot afford to call the sender's bluff?

A state's economic and political vulnerability can alter the risks that state would be willing to take in a way that would not apply to economically prosperous and politically stable signal recipients. In other words, signals are more likely to work against vulnerable recipients because these states would incur much higher costs should sanctions continue or the conflict escalate. Galtung discusses the significance of target state vulnerability in terms of the economic pain inflicted by sanctions. Small powers, islands, and former or current colonies all have a high external vulnerability, while countries whose economies are concentrated on a single product or a single trade-partner have a high internal vulnerability (Galtung 1967, 385). 'Superpowers', like the U.S. and USSR, are "particularly invulnerable," as are similar great powers like the People's Republic of China, France, and the United Kingdom (ibid., 385). Politically, leaders who are vulnerable to the consequences of sanctions may make less rational decisions based on received signals than if they were more secure. For example, leaders "who may have to fear for their lives if they comply with sanctions" will be more likely to take a risk — like calling the targeting state's bluff — and choose to "gamble that the sanctions will not be implemented" (Biersteker and van Bergeijk 2015, 23).

IV. US Wheat Embargo of the USSR

This paper now looks to history: how can signals sent and received during past sanctions regimes be analyzed to illustrate the bolstering or mitigating factors discussed in Sections Two and Three? We turn now to the U.S.' imposition of a wheat embargo on the USSR in 1980, a case chosen for its demonstrated sending and receiving of signals at all three levels of analysis: the targeted state, allies and uninvolved states, and domestic audiences.

Background

On December 24, 1979, the USSR launched an invasion into Afghanistan. The Soviets' explanation for the invasion — "an attempt to halt the flow of Afghan insurgents into the Soviet Union" — was not accepted by the U.S. (Roney 1982, 192). The action, which indicated the "clear evidence of the failure of American containment policy" and was the first "extensive expansion of Soviet territorial control since 1950," necessitated immediate action in Washington (Baldwin 2020, 249). In addition to withdrawing the American ambassador in Moscow, an (eventually carried out) threat to boycott the 1980 Olympics, and the codification of the Carter Doctrine, among many others, the administration of President Jimmy Carter responded with an embargo on the 17 million tons of grain that it had already agreed to let the USSR purchase (Baldwin 2020, 272).

A year earlier, Soviet grain production had fallen 21% due to dry conditions. To maintain its livestock supply, the USSR arranged to purchase grain, "the largest share" of which would come from the U.S., which in contrast had experienced a fruitful harvest (Paarlberg 1980, 144). Initial CIA analysis found that the loss of grain from the embargo would cost the USSR around 20% of their meat output (Roney 1982, 193). On this front, however, the sanctions regime was largely unsuccessful. For the U.S. to successfully wield its "food power," it must have maintained control over food export volume and prevented the "leaking" of other states' grain supplies into the USSR, and the intended food reduction itself must have been enough to cause significant pain; Paarlberg finds that no long-term success was met on any of these fronts (1980, 145). The USSR largely made up its grain deficit. Argentina, for example, provided 20 million tons of corn and grain to the Soviets in what would become a "booming Soviet-Argentine commercial relationship" (Paarlberg 1980, 153).

However, the conditions of the sanctions provide fruitful ground for signaling, which was the main purpose of the embargo. We can re-examine the internal factors of signals that led to their transmission. The grain embargo is clearly not multilateral: only the U.S. imposed the sanctions regime. Although Carter proclaimed when announcing the embargo that he had consulted with "'other principal grain-exporting nations,'" there is "no evidence that Carter, any top White House official, or any Cabinet member" ever spoke with officials of the other grain-exporting countries before the embargo" (Roney 1982, 195).

The clarity of the U.S.' resolve varied throughout the sanctions regime. As will be discussed under the domestic section, Carter faced much disagreement from Congress and political rivals like Ronald Reagan. However, the sanctions regime was bolstered by many other condemnatory actions of the U.S. The most significant of these was the Carter Doctrine, issued shortly after the embargo was announced. The doctrine explicitly threatened "to repel 'by any means necessary, including military force,' any attempt by an 'outside force to gain control of the Persian Gulf region'" (Baldwin 2020, 272). While technically outside the sanctions regime, the more explicit the condemnation and the threat of future military engagement, the more credible the U.S.' signal would be.

As one can expect, the grain embargo (definitionally) imposed costs on both the U.S. and the USSR. In the most literal sense of costs, the U.S. and American farmers lost out on receiving the funds that the USSR would have paid for the grain exports. The regime also imposed political costs on Carter. As the embargo's announcement came just two weeks before the agrarian-focused state of Iowa voted in their presidential election caucus, an embargo that places costs on farmers was likely to be unpopular. However, a quote from National Security Advisor Zbigniew Brzezinksi implies that this political cost was considered in advance of the 1980 presidential primaries and caucuses: "[Carter] knew [the embargo] was going to hurt him in that Iowa thing that was coming up" (Roney 1982, 195).

Some scholars have since argued that the U.S. should have done nothing. However, because the U.S. had already agreed to sell the grain, imposing no change "would have meant going ahead with the largest Russian grain deal on record" (Baldwin 2020, xix). Such inaction, as discussed in Section One, could send an unintended and false signal that the U.S. does not care about the advancement of Soviet aggression.

Background Objectives of the US

Before evaluating the effectiveness of any sent signals, this section will first establish how the goals of the U.S. and its sanctions regime were primarily focused on signaling, especially to the USSR. Since 1948 and throughout the Cold War, the "restrictions on trade with communist countries" were a part of U.S. foreign policy, with the primary target of such embargoes being the USSR (Baldwin 2020, 245). U.S. embargoes throughout the Cold War were conducted to achieve several goals related to containing the USSR, many of which involved signaling attempts to the USSR, U.S. allies, and the Third World. Since the start of these embargoes beginning in 1948, the "primary objective" of the U.S. "was to contain and minimize Soviet influence of any kind everywhere in the world"; two further secondary goals relate to signaling: the weakening of "the ideological appeal of communism by symbolic condemnation and moral stigmatization" and the "deterring of Soviet expansion by demonstrating the intensity of American resolve to resist such moves" (ibid., 247).

The grain embargo and its targeting of the USSR underscores the importance of signaling objectives in foreign policy decision-making. Baldwin recontextualizes the U.S.' response to the Soviet invasion as not to protect the sovereignty and stability of Afghanistan, in which the U.S. had very few strategic investments, but to clearly signal "American perceptions of future Soviet intentions" in Southwest Asia and the world and to inform "Soviet perceptions of future American intentions" (ibid., 273). The main signaling regarding the USSR was thus that "any attempt to move beyond Afghanistan would be much more unacceptable to the United States" (ibid., 274).

For American allies, embargoes "were intended to demonstrate the strength of American resolve to resist communism and dramatize the importance of the split between communist and non-communist countries (ibid., 248). To the Third World — those countries who were not ideologically aligned with either the U.S. or the USSR — the U.S. wanted to further demonstrate its resolve to fight communism and reduce the appeal of Soviet development approaches "by making American repugnance for communism unmistakably clear" (ibid.). After the Soviet invasion of Afghanistan, there was also a specific need to "avoid alienating Islamic countries" as such a goal "ruled out" the usage of military action in the region (ibid., 268-270). The domestic level of analysis is particularly interesting in this case, as signals sent to domestic audiences largely revolve around the lifting of the sanctions regime, not its imposition. Recognizing that the embargo had become unpopular within farming groups, then Governor Ronald Reagan made repealing the embargo a campaign promise. However, Reagan did not repeal the embargo when he was inaugurated in January 1981 after realizing that doing so "would have called into question his commitment to a 'hard-line' approach to dealing with the Soviets," he delayed the repeal until April (ibid., 112). One can thus observe the interplay of signaling between levels of analysis.

Evaluating Responses of the USSR

An evaluation of the effectiveness of signals sent to the USSR must determine how clarifying U.S. resolve to use future military action changed the Soviets' political calculus to expand their territorial influence. After the invasion of Afghanistan, the USSR did not invade another country. Poland's Solidarity Movement and the threat it posed to the Soviet goal of maintaining the international strength of communism provides an excellent opportunity to explore how signaling may have influenced the USSR's ultimate decision to not intervene in Poland. For this purpose, this paper can look to see how the threat made by the U.S. during the grain embargo may have built up U.S. credibility when further sanctions were enacted. The day after Reagan lifted the embargo, Secretary of State Alexander Haig produced a new signal: if the USSR invaded Poland, "the United States would impose a ban on all trade with the Soviet Union" (Roney 1982, 200). Carter is also quoted in his memoirs as saying: "I sent Brezhnev a direct message warning of the serious consequences of a Soviet move into Poland" (Kozłowski, n.d.).

Ultimately, signals sent from the U.S. and allies expressing condemnation of an invasion of Poland, building off the grain embargo condemnation, likely had some effect on the Soviet decision to not invade, but the decision was ultimately made by internal Soviet decision-making when looking at other costs of invasion. The focus of the USSR was instead to replace the leader of the Solidarity Movement with someone more sympathetic to the Soviets who would impose martial law to quell the protests (Kozłowski, n.d.).

The potential impact of signaling is indicated by its presence before the Solidarity Movement, but not before the Soviet invasions of Hungary in 1956 and Czechoslovakia in 1968. With the invasion of Hungary, the U.S. "did nothing beyond issuing public statements of sympathy" for Hungarians (History 2021). Regarding Czechoslovakia, "the Soviets guessed correctly that the United States would condemn the invasion but refrain from intervening" (Office of the Historian, n.d.). The reliance of the USSR on non-military methods to try and control the spread of anti-communist reform in the case of Poland, when Hungary and Czechoslovakia presented similar problems and were invaded, is the best evidence that the U.S.' firm signaling of resolve deterred the Soviets' return to similar actions. The reputation that the U.S. had built up made future threats deterring an invasion of Poland more credible, and thus created a signal that was more likely to matter.

Evaluating Responses of Allies and Other States

Soon after the announcement of the embargo, Canada, Australia, and the European Community "announced their support" (Roney 1982, 197). However, an unintended signal was also sent to Argentina, the world's second largest grain exporter. Argentina, which was "miffed" at having not been informed of the embargo before it was enacted, declined to endorse it (Roney 1982, 197). Cracks began to emerge in the U.S.-led blockade. Whereas the above three historic allies of the U.S. had agreed to support the embargo (despite also agreeing to maintain their current levels of grain supply to the USSR), Argentina's market success highlighted the opportunity cost of the embargo (ibid.). From 1979 to 1980, Canada, Australia, and the EC provided to the USSR double the average grain that they had supplied for the prior seven years (ibid.). Whereas the relationship of the U.S. to its grain-producing allies may have predisposed those allies to support their embargo diplomatically and also materially (by refusing to exploit the lack of U.S. market presence), the tie was not strong enough here to guarantee the support that was most desired by the U.S.

However, greater success can be seen in how allies recognized U.S. leadership and quickness to act. A former British diplomat observed an increase in leadership "momentum" coming from the U.S. after the imposition of the embargo, noting that it had the effect of increasing cooperation "rather dramatically" (Baldwin 2020, 281).

Evaluating Responses of Domestic Audiences

Initial domestic responses to the embargo, even among farmers, were "favorable," largely reflecting the patriotic signaling of the embargo as a stance against the spread of communist influence and territorial control (Roney 1982, 197). Despite the prediction that Carter would suffer political costs, he won the Iowa Democratic Caucus by a two-to-one margin (Paarlberg 1980, 146). It was not until April, when the Carter administration had failed to protect wheat prices that support began to wane; both the House and Senate would draft bills calling for the embargo's repeal, and Reagan soon after adopted the repeal as a campaign promise (ibid., 148). In the 1980 elections, "the farm vote" was one of the "most solid voting blocs" for Reagan, and overall, Democrats running in agricultural districts were "crippled" in their races due to Carter's embargo (Edsall 1982).

Wary of the political benefits he had received, Reagan confirmed his campaign promise and lifted the embargo. (To not have done so could have activated audience costs into electoral consequences.) Despite the repeal of the embargo, Reagan was still able to maintain patriotic signaling with Haig's statement about Poland. While less costly, such a signal satisfies both his policy goal of condemning Soviet territorial encroachment and satisfying the American electorate with reduced costs.

V. Conclusion

This paper argues that signals can and do matter, but not all signals signal or matter equally. Internal factors of signals, like their clarity, the costs they establish, and the multilateral support they carry can bolster their effectiveness. And while their importance to the decision-making process of states by providing information about other actors does matter, this significance can be rendered void (or heightened) due to the signal recipient's resolve, image gains calculus, relationship with the sender, regime type, and vulnerability. The U.S. grain embargo of 1980 illustrates how many of these concepts and theories appear in the foreign policy arena across all three levels of signal recipients — the targeted state, allies and third parties, and domestic audiences. Ultimately, signals frequently do matter. But as this paper demonstrates, it is integral to foreign policymaking that the goals of sanctions regimes are based on a thorough understanding of the above factors. One cannot plan for a signal to matter and therefore justify creating a sanctions regime if, for example, the recipient will never listen to the signal, or if the sending state does not have the ability to generate a clear signal in the first place.

Beyond its use to foreign policy analysis, the future study of signals in the international relations field is rich and diverse. While the focus of this paper is on general signaling theory and the signals that result from economic sanctions, further analysis should be conducted on how the three internal and five external factors that this paper identifies apply to military and diplomatic sanctions. Similarly, future studies should analyze which of these factors are the most important for determining signal transmission and effectiveness, and how they interact with each other to influence decision makers acting on behalf of a signal recipient.

Such studies will prove vital, as signals remain a crucial aspect of states' foreign policy today. In the first week of December alone, the U.S. twice employed signaling to indicate their disapproval of another state's action. In a parallel to the U.S.' action following the USSR's invasion of Afghanistan when it boycotted the 1980 Olympics, the U.S. announced on December 6 that it will not send government officials, as is custom, to the 2022 Winter Olympics in Beijing in light of ongoing human rights abuses in China, including the genocide of the Uyghur minority group in Xianjing and the repression of pro-democracy efforts in Hong Kong (Kanno-Youngs 2021). Signals have also been cued by the U.S. as tensions with Russia have increased over a perceived imminent Russian invasion of Ukraine. In a meeting with Vladimir Putin on December 7, President Biden announced that the U.S. would "meet a military invasion of Ukraine with strong economic penalties, moves to bolster Ukrainian defenses, and fortify support for Eastern European nations" (Salama et al. 2021). From these ongoing examples, it is easy to see that the U.S. designs its signals to be direct to deter unfavorable actions. The sanctions threat issued against Russia will likely make an interesting case study in the future over the success of signaling through economic sanctions.

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Weapons of Environmental Destruction: The Impact of UN-US Sanctions on Iran

Tahlia Mullen

In recent decades, economic sanctions have transformed from a seldom-used form of statecraft to one of the most popular tools that countries use to exercise power in the international system. This is partly due to the false perception that sanctions are a more humane alternative to military warfare. In practice, however, they can be just as lethal. Environmental degradation represents one of the less well-understood but significant unintended consequences of sanctions regimes. Given the international community's ostensible commitment to environmental protection, applying sanctions while ignoring the potential environmental harms is untenable. The case of UN-US sanctions on Iran illustrate how sanctions can harm the environment and why environmental impacts should be given greater consideration in future attempts to impose sanctions.

Introduction

In recent decades, economic sanctions have transformed from a seldom used form of statecraft to one of the most popular tools that countries use to exercise power in the international system. One explanation for this growing popularity is the decreased strategic importance of military capabilities relative to economic ones following the end of the Cold War (Mueller and Mueller 1999). At the same time, states today are increasingly averse to military warfare and more inclined towards less lethal forms of coercive pressure (ibid.). On the surface, sanctions appear a more humane tactic and attract popular support as an alternative to military warfare. The reality is less appealing. Economic sanctions can be just as lethal for the target nation.

Investigations of the impacts of economic sanctions highlight a variety of potential negative externalities. One of the most controversial among these are human rights violations, including decreased food and healthcare access. Humanitarian concerns have become one of the leading grounds for criticism against the use of sanctions (ibid.). In response, a scholarship has formed around the extent that sanctions violate human rights and how future sanctions regimes may avert such harm. Although human rights violations constitute an important era for future study, they are not the only negative externality of sanctions worth considering. A growing body of literature highlights the environmental damage sanctions can have on target states and their neighbors. At the same time, the environmental implications have so far received limited attention from global actors and are rarely considered in the design and implementation of sanctions regimes.

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With scientific consensus developing that UN-U.S. sanctions have contributed to environmental degradation in Iran, the country provides an interesting case study regarding the environmental implications of economic sanctions generally. Iran has been an intermittent target of international sanctions for the last four decades, and over that same period Iran been increasingly gripped by environmental crises. The extent to which economic sanctions are to blame for Iran's present environmental woes is not immediately clear. Iran would almost certainly face many of the same problems in the absence of sanctions due to unsustainable development practices combined with global climate change (Bartlett and Hakim 2021). This paper thus begins with a background discussion of Iran's environmental posture and history as a sanctions target. It moves next to reviewing the literature establishing a causal link between UN-U.S. sanctions and Iran's environmental condition, before describing four of the primary mechanisms helping to explain this relationship. Finally, this paper investigates the transboundary impact of Iran's environmental harm and explores the opportunities that exist for mitigation. The primary goal of this paper is to establish that sanctions contribute to environmental degradation and to describe how that occurs. Raising the specter of environmental degradation in the national security arena represents a crucial step to ensuring environmental consequences are given greater consideration in future attempts to impose sanctions.

Background

Iran's Environmental Posture

Iran is currently facing a wide range of environmental problems. Although many of these problems would exist regardless of sanctions, sanctions have the potential to exacerbate what would have been a tenuous environmental situation to begin with. That Iran's natural environment is currently in crisis makes any further pressure on Iran's environment particularly concerning.

Water scarcity is chief among Iran's environmental problems. Factors that explain such scarcity include rapid population growth, patterns of population distribution, unsustainable agricultural processes, and mismanagement of aquatic resources. Up to 90% of Iran's water consumption is dedicated to agriculture alone, partially the consequence of an enduring national goal of food self-sufficiency (Michel 2019). As a result, Iran's surface water resources are disappearing. Lake Urmia, a Wetland of International Importance and a UNESCO Biosphere Reserve, has shrunk 60% in the last four decades (Soroush and Madani 2014). At the same time, water quality suffers due to biological and chemical pollution from agricultural, industrial, medical, and domestic sources (ibid.).

Other environmental concerns include deforestation due to water scarcity, changes in precipitation, illegal logging, wildfires, urbanization, and land conversion (Karimi 2016, 214). Deforestation leads to dust and sandstorms, which contributes to air pollution. Other sources of air pollution include urbanization, inefficient fossil fuel consumption, use of aging automobiles, and poor mass transportation infrastructure

(Hosseini and Shahbazi 2016). Iran's air pollution was so severe that in 2011, four Iranian cities ranked among the ten most polluted in the world according to PM10 levels (ibid.). Solid waste pollution is another issue. Although Iran's per-capita solid waste production is less than in many developed countries, their inadequate waste management infrastructure leads to landfill leachate and plastic pollution (Esmaeilizadeh, Shaghaghi, and Taghipour 2020). Given these myriad problems, Iran's ecosystems have suffered significant biodiversity loss in recent decades, with nearly 100 species of vertebrate fauna now vulnerable or endangered (Jowkar 2016).

A Brief History of UN-U.S. Sanctions in Iran

When The United States imposed its first round of sanctions on Iran in 1979, responding to Iranian students storming the U.S. Embassy in Tehran and taking American diplomats hostage. Although these sanctions were lifted in 1981 when the hostages were released, new sanctions were imposed in 1984 when the U.S. declared Iran to be a state sponsor of terrorism. The 1990s were marked by the expansion of sanctions, on account of Iran's continued support of terrorism and their pursuit of weapons of mass destruction (Columbia 2017). The intensified measures included an embargo on bilateral trade and Iran's isolation from non-U.S. energy companies (ibid.).

The next significant round of sanctions began in the mid 2000s, after it became known Iran was developing its nuclear program without insufficient transparency in accordance with the Nuclear Nonproliferation Treaty (ibid.). European governments tried and failed to negotiate a diplomatic solution with then Iranian President Mahmoud Ahmadinejad, leading the U.S. and EU to work on new sanctions in the United Nations Security Council. These sanctions aimed to curtail Iran's nuclear activity, including potential weapons and missile development. The UN resolutions also promoted the state's unilateral imposition of sanctions across a wider number of sectors, including energy, finance, and transportation.

The most recent round of sanctions began in 2010, in response to the relative failure of UN sanctions and continued Iranian insubordination (ibid.). This newest round of measures included secondary sanctions designed to motivate foreign investors and banks to leave Iran. In 2012, it was extended to include the banned import of Iranian oil. Facing an oil crisis and economic decline, Iran began to cooperate with the United States in 2013. The resulting Joint Plan of Action (JPOA) put a pause on U.S. sanctions on Iran's nuclear program in exchange for Iran pausing further development of their nuclear program. The JPOA was expanded into the Joint Comprehensive Plan of Action (JCPOA) in 2015, pausing most of the remaining secondary U.S. sanctions. The JCPOA's application was short-lived, with President Trump announcing U.S. withdrawal from the deal on May 8, 2018. The U.S. proceeded to reimpose sanctions, with nuclear-related sanctions against Iran continuing to this day.

EMPIRICAL EVIDENCE THAT UN-US SANCTIONS HAVE HARMED IRAN'S ENVIRONMENT

Using environmental data from 1973 to 2017, researchers conclude that US unilateral sanctions "significantly affect CO2 emissions" in Iran (Fotourehchi 2019). The Granger causality test backs the assertion up, demonstrating one-way causality between sanctions and levels of Iranian emissions. The same study also determined that Iran's environmental degradation, in terms of CO2 emissions, "declines in the short term and increases in the long term" under sanctions (ibid.). In other words, country actors may avoid environmentally harmful activities initially but succumb to them under prolonged sanctions pressure. Finally, researchers found that the long-term negative impact of stringent UN-US sanctions on Iran's environment is greater than less stringent sanctions (ibid.). Thus, more comprehensive sanctions produce more environmental damage.

Features of Iran's domestic environment over the last four decades provide further evidence of the phenomena described above. The economic stagnation that followed Iran's 1979 revolution inadvertently improved environmental conditions in the years immediately to follow. But due to the Composition Effect: the "unchanged composition of economic activities from higher to lower pollution intensity sectors," combined with the Technology Effect: restricted access to green technology and eco-friendly production activities, environmental conditions worsened a short time later (ibid.). As Iran continued to shift from agricultural to industrial activities, low pollution activities remained unchanged while high pollution activities intensified (ibis.).

Though the study suggests that UN-U.S. sanctions harm Iran's environment, there are limits to what can be deduced from this evidence. Researchers did not indicate the degree to which sanctions contribute to environmental harm relative to other causes, nor did they indicate how culpable the sanctioner is relative to the sanctioned. All that can be said is "environmental damages were unavoidable based on the current economic sanction practices" (Madani 2021, 232). Furthermore, researchers used CO_2 emissions alone as a proxy for environmental damage. Although CO_2 emissions represent one important variable, it is not the only one researchers could have used, nor the only one worth considering.

To demonstrate the impact of economic sanctions on other indicators of environmental performance, consider the following study conducted by Fu and colleagues. Researchers used environmental data from 2002 to 2016 across 22 countries sanctioned during that timeframe in order to analyze the relationship between international sanctions and the Environmental Performance Index (EPI) (Fu et al. 2020). The EPI measures how countries perform across two key environmental issues: the protection of human health and the protection of ecosystems. Using nine areas containing over 20 indicators, the EPI forms a composite score that provides a quantitative measure of each state's environmental performance.

Results from the study suggested that both unilateral and multilateral sanctions have a significant negative impact on national EPI scores (ibid., 5). Researchers attribute this decline to the negative impact of sanctions on GDP, foreign investment, and industrial output, all of which have a positive relationship with environmental performance (ibid., 5). Furthermore, indicators of the EPI are more susceptible to economic sanctions than sanctions that don't target the economy (ibid., 6). The study also finds that greater intensity sanctions result in greater declines in EPI (ibid.). When comparing the performance of sanctioned countries across time, countries had lower EPIs during sanctioned phases relative to non-sanctioned phases (ibid.). Similarly, in comparing the results from the 22 sanctioned countries to 20 non-sanctioned countries over the same period, the distribution of EPI scores among members of the sanctioned group were consistently lower (ibid.).

II. Causative Mechanisms

Having reviewed evidence that UN-U.S. sanctions contribute to environmental degradation in Iran, this paper moves next to describing the precise mechanisms that link these two phenomena together. There are four primary mechanisms worthy of review: two direct impacts of sanctions and two indirect impacts stemming from Iran's response to sanctions. This paper describes each in detail below using recent examples from inside the regime to help illustrate the phenomena occurring in context.

1. Sanctions impede access to technology, science, and training

Sanctions have profoundly affected the Iranian economy. By limiting the movement of money in and out of the country, sanctions restrict Iran's access to export profits, international assets, and have led to currency devaluation (Majadi and Zarouni 2016). Consequently, it is more difficult for Iran to invest in international goods and services, leading the country to invest through unofficial and more expensive avenues (ibid.). These added costs diminish Iran's national budget, with sectors regarded as less important to national security, such as the environment, receiving the brunt of cuts (Madani 2021, 236-237). Simultaneously, sanctions change the calculus of potential foreign vendors and investors who fear violating the terms of sanctions and facing economic losses as a consequence. That fear is present even in areas where sanctions don't apply, such as in the agricultural context (Brockman 2021, 17). Diminished interest in foreign investment limits technological advancement which could otherwise enable the more efficient use of Iran's natural resources (ibid.). Furthermore, sanctions curtail environmental research and education. Diminished capital flows prevent funding for research and training from reaching Iranian recipients. Public universities and research organizations operate under the umbrella of the Iranian government, and monetary transfers to such institutions would violate the terms of UN-US sanctions (Stone 2018). Research and education are impacted in additional ways, including the prevented delivery of research instruments, software, and the flow of researchers themselves (ibid.).

Iran has responded in two key ways to the reduced access described above. In some cases, Iran has simply given up on accessing certain goods and services altogether. In other cases, businesses that provided technological services in Iran have ended their contracts, preventing Iran from accessing the updates, optimization, and training, allowing technology to run more efficiently (Fotourehchi 2019, 5485). Limited access has also impacted Iran's environmental policies. Following the re-imposition of U.S. sanctions in 2018, Tehran's city council eliminated its budget to install particulate filters in 700 old buses with diesel engines (Madani 2021, 237). Furthermore, the country's car manufacturers blame sanctions for their repeated decision to delay accepting the Euro-5 emission standard (ibid.).

The second significant way in which Iran has responded to reduced access is by purchasing goods and services that are inexpensive but more polluting. For instance, when U.S. sanctions were reimposed in 2018, the German technology corporation Siemens seized shipments of syn gas compressors meant for the Iranian company Zanjan Fertilizer (Petroff 2018). Without access to the compressors manufactured by Siemens, Iran turned to Chinese compressors that were less efficient and had greater carbon footprints (ibid.). Similarly, Iran's ambitions as a producer of methanol –an alternative fuel source– were curtailed when the chemical companies Johnson Matthey and Haldor Topsoe stopped providing Iran's Eslamabad-e Charb refinery with autothermal reforming technology (Madani 2021, 238). As a result, Iran built a refinery using outdated technology that requires more water and produces greater emissions (ibid.). In one final instance, the imposition of the U.S.'s 2010 sanctions led to a 75% drop in Iran's gasoline imports (ibid.). At a time when the country still imported 40% of its gasoline, Iran had no option but to increase its domestic refining capabilities. Iran has succeeded in producing cheap gasoline, but their product contains ten times the contaminants of previously imported fuel (Mawer 2018, 348). Furthermore, the sulfur levels in Tehran's diesel were 8000 ppm, 800 times above the U.S. EPA standard (ibid.).

2. Sanctions Impede Environmental Aid Delivery

Despite international aid being officially excluded from UN-U.S. sanctions, the spillover impacts of sanctions regimes can prevent aid projects from being successfully carried out. One reason for this is that sanctions create operational issues, including difficulty transferring funding, transportation problems, decreased access to tools and materials, and a shortage of aid personnel present on the ground (Reinl 2019). Since many aid projects focus on environmentally relevant areas including sustainable development, food and agriculture, and natural disaster relief, operational issues may prevent environmentally beneficial activities from moving forward. For instance, the Global Environmental Fund (GEF) had supplied Iran with millions of dollars in funding for environmental aid projects. Although they received USD 31 million as of 2021, their potential to receive funding up to USD 52.37 million was diminished under sanctions (Madani 2021, 241). The World Bank ended its last Iranian project in 2012, and it hasn't provided emergency funding since 2004 and 2005. In both cases, project personnel attributed procedural challenges as a result of UN-U.S. sanctions as "an impediment to the smooth delivery of aid" (ibid.). In a similar example, the International Maize and Wheat Improvement Center (CIMMYT), a food aid organization, ceased activities and closed their office in Iran in 2018, citing "growing constraints on CIMMYT's operations in Iran as a result of heightened sanctions" (CIMMYT 2018). International sanctions block environmental aid to Iran in everything but name.

A second impediment to successful aid delivery is the economic and political influence of the United States. The U.S. provides significant financial backing to many of the NGOs and IGOs which currently or previously conducted aid projects in Iran (Stone 2018). Regardless of the official terms of sanctions, such organizations fear that continuing to engage in Iran will anger the U.S. and threaten their future financial support, placing the broader mission of these organizations into jeopardy (ibid.). Furthermore, Western banks are too afraid of US sanctions to transfer the funding necessary to finance aid projects (Reinl 2019). To illustrate this point, consider the international response to Iran's extreme rainfall event in March 2019, which led to flooding in over 1,900 communities (Reuters 2019). Iran's Foreign Minister, Muhammad Javid Zarif, claims that US sanctions prevented aid from reaching flooded towns and villages (ibid.). The aid organizations in question echo this perspective. Jan Egeland, Secretary General of the Norwegian Refugee Council, reflects on spending an entire year trying and failing to locate banks that could and would transfer money from Western donors to support flood recovery activities (Reinl 2019). Even the International Federation of the Red Cross, one of the largest humanitarian aid organizations globally, could not transfer funding to its local organization, the Iranian Red Crescent, in the aftermath of flooding. Other aid organizations, donors, and NGOs that would otherwise provide environmental aid struggle to receive licensing from the Office of Foreign Assets Control (OFAC) at the U.S. Department of the Treasury (Madani 2021, 243). In effect, OFAC has been a "major demotivator for supporting Iran-related environmental projects" (ibid.).

(3) Sanctions augment the economy's natural resource dependence

Despite the damaging economic impact of sanctions, Iran has remained committed to its development agenda. Promoting economic growth requires loosening environmental standards to allow less costly but more environmentally harmful practices to take place (Fotourehchi 2019, 5485). The relationship between economic development and environmental harm is illustrated by an upside-down U known as the Environmental Kuznets Curve (Asghari 2012). It works like this: sanctions hinder diversification of the economy, contribute to unemployment, and reduce access to goods and services. All told, Iran's economy has contracted each year since 2017, shrinking 4.99% in 2020 alone (Ng 2021). To continue its development under these circumstances, Iran intensifies its natural resource extraction to compensate for economic losses (Madani 2021, 244-245). In other words, economic hardship prevents a developing economy such as Iran's from looking beyond natural resources as the primary driver of economic growth (ibid.).

The development of Iran's fossil fuel industry in recent years helps illustrate this phenomenon. Despite nearly two decades of stringent sanctions, Iran's natural gas industry has grown to become the third-largest dry natural gas producer globally, surpassed only by the US and Russia (EIA 2021). Nearly all the natural gas Iran produced in 2019 was domestically consumed, and has helped compensate for decreased access to natural gas exports and refined oil imports under sanctions (ibid.). Iran's oil industry has also adjusted. Although sanctions have had a non-trivial impact on the national oil industry, Iran has employed various evasion tactics with considerable success. This includes oil smuggling, made possible by the Persian Gulf's complex labyrinth of shipping lanes and trading areas that conceal the illicit oil trade (Sudetic and Shokri 2021). The volume of oil reached 900,000 barrels per day in March 2021, and this number is rising thanks to a bilateral agreement with the Chinese signed in early 2021 (Eqbali 2021). Because oil is exported through illegal networks, it is sold for a highly discounted price, incentivizing the Chinese to import high volumes of crude. At the same time, Iran's oil producers ramp up extraction to meet Chinese demand and make up for lost revenue (Sudetic 2021).

Also telling is Iran's domestic energy consumption. Total energy use increased 40% between 2009 and 2019 (EIA 2021). While it's impossible to know how domestic energy consumption would have changed in the absence of sanctions, Iran consumes fossil fuels less efficiently under sanctions due to aging infrastructure and inaccessible technology updates, as described in an earlier section. In the end, the revenue lost from blocked access to fossil fuel export markets, the energy security lost from inaccessible refined oil import markets, and the efficiency lost from inaccessible technology upgrades, have each contributed to a domestic environment that encourages intensified fossil fuel extraction.

Iran's agricultural sector provides another important example of how sanctions augment Iran's natural resource dependence. Food insecurity is a longstanding problem for the country, which suffers from a lack of arable land and water even during the best of times. Food self-sufficiency has thus become a central public policy focus, highlighted as an imperative regime objective in Iran's post-revolutionary constitution (Michel 2019). Iran has taken various approaches to further this aim, including the creation of agricultural subsidies and trade protections. Although these approaches have enabled increased agricultural output (annual wheat harvests increased 100% between 1979-2016), such gains do not keep pace with rising demand (wheat consumption increased more than 150% during the same period) (ibid.). As a result, the country relies increasingly on food imports: Iran imported 36.6% of its cereals in 2016, up from 18.1% in 2005 (ibid.). Sanctions have thus increased food insecurity because limitations on trade, banking, and the financial system inadvertently make food even more difficult and more expensive to access (Kokabisaghi 2018). That occurs in spite of the official exclusion of food from sanctioning attempts (Hejazi 2020). The scarcity of imported food and the consequent scarcity of domestically produced food has led the average price of grocery items to increase more than 50% since the 2018 re-imposition of US sanctions (ibid.). Increased food prices in turn have led to a 50% increase of severe food insecurity in urban areas and 24% in rural areas since that time (ibid.).

Iran has responded by placing further pressure on its land and water resources, with potentially disastrous effects. If current rates of extraction continue, 12 of Iran's 31 provinces will exhaust their aquifers in the next 50 years (Michel 2019). Furthermore, over irrigation of agricultural lands using water from Iran's naturally brackish aquifers is leading to over salination of Iran's soil, with ruinous impacts on soil fertility (ibid.). The average loss in agricultural yield from over-salinized soil could reach 50%, which may lead to even greater gaps between supply and demand (ibid.). In sum, sanctions have intensified food insecurity by decreasing access to imports and increasing the reliance on domestic agricultural production. Domestic water and arable land resources, which were scarce to begin with, are then depleted and degraded at an alarming rate.

4. Sanctions augment the 'thirst for development'

Material ends, such as fossil fuel revenues or agricultural outputs, are not the only object of Iran's desire. Symbolic ends play a similarly important role in motivating intensified resource extraction. Sanctions targets that refuse to change their behavior may instead try to signal economic resiliency. If the target country demonstrates its capacity to adapt, the sanctioner may grow despondent over time and lift sanctions in defeat. Accordingly, Iranian leaders have spent the last 40 years downplaying the severity of sanctions, instead highlighting Iran's tolerance for economic pain (Takeyh and Maloney 2011, 1305). The problem for a non-democratic state, such as Iran, which lacks transparency at all levels of government is that claims of resiliency are not credible without hard evidence (Davies 2012, 315). Continuing its national development in a highly visible and public way is one method Iranian leaders use to signal resilience. The regime habitually draws a direct link between "technological progress and scientific achievement" and "resistance to Western 'global arrogance" (Borszik 2016, 25). As elaborated on in the previous section, making such progress and achievement without access to the international market has led Iran to intensify its natural resource extraction to fill in the gap.

Symbols of Iran's national development are meant to reach domestic targets as well. Demonstrating resilience to international sanctions is integral to maintaining support for the regime at home. Unpopular country leaders are prone to defying a sanctioner's demands, using sanctions as a distraction for regime failures and using the sanctioning country as a target for public grievance (Davies 2012, 325). Such was the case following President Bush's imposition of sanctions on Iran in 2005: the regime became even more hardline in its resolve to defy the U.S. to bolster its waning domestic legitimacy (ibid., 338). It may be said that the 'thirst for development' has caused US sanctions to backfire (Madani 2021, 245). As Iran's former Supreme Leader, Ali Khamenei, reflected in 2006 "the sanctions made our youth think and produce whatever the enemy did not like us to possess" (Takeyh and Maloney 2011, 1306). By providing a common enemy to unite the regime and its people, sanctions have maintained the national morale amidst intense economic hardship and have turned Iran into an organ of natural resource-intensive economic development.

TRANSBOUNDARY IMPACTS

This discussion has so far focused on the relationship between sanctions and the target state's environment. However, environmental degradation can be transboundary, extending across political and geographic borders. Iran's water pollution, particulate air pollution, and greenhouse gas emissions have demonstrably negative transboundary impacts. Iran's neighbors are most directly affected. Despite the U.S. lifting sanctions on Iraq in 2003 and trying to promote economic growth in the country since that time, UN-U.S. sanctions on Iran threaten Iraq's natural environment (Bartlett and Hakim 2021). The rich natural resource belt along the border between the two countries suffers under the stress of oil drilling and agricultural activities. The Mesopotamian Marsh, a UNESCO World Heritage Site, was partially drained for such purposes (ibid.). Furthermore, excessive dam building and river water transfers used to irrigate Iran's arid central region contribute to water shortages and contamination downstream (ibid.).

As with environmental harm to Iran, the aim of this section is not to argue that sanctions are the singular cause of transboundary environmental harm. Rather, UN-U.S. sanctions on Iran are a contributing factor of such harm. Consider a case from 2006 in which INPEX corporation, a Japanese oil and gas exploration group, pulled out of a project on the Iranian side of the Hoor Al-Azim wetland due to U.S. sanctions (Madani 2021, 238). While INPEX planned to use equipment suitable for an aquatic work environment, the Iranian and Chinese team who took over opted to use cheaper equipment only suitable for dry environments. That led workers to drain the marsh for the project's duration (ibid.). Aside from harming biodiversity in both countries, the dried wetland became a tremendous dust source for Iraq and Iran (ibid.). The environmental impact of sanctions on Iran could not be confined to the country's borders.

Not only does Iran's environmental degradation harm the country and its immediate neighbors, but it also harms the world at large. The reader may be aware that Iran's increased CO_2 emissions under sanctions contribute to the greenhouse effect globally. Furthermore, the ocean and air are two examples of global commons whose pollution with chemicals and particulate matter carry across vast distances. Observe Iran's impact in the Persian Gulf, the region of ocean abutting Iran's southern border. Given Iran's problems with water scarcity, the country relies to an extent on desalinated ocean water to meet domestic water needs (Bayani 2016). Not only is desalination an energy intensive process, but the wastewater from coastal desalination plants pollutes the Gulf with industrial chemicals and increases ocean temperature and salinity (ibid.). This pollution encourages larger and longer lasting algal blooms which poison fish, threatening international fisheries and biodiversity (ibid.). Water pollution also threatens the survival of coral reefs in the Gulf. The habitat lost from coral bleaching and die off poses an additional threat to biodiversity and removes an important source of flood protection for coastal communities (Woodhead et al. 2019).

To further underscore the size and importance of the transboundary issue, consider the controversy surrounding secondary sanctions, a phenomenon in which enforcing sanctions on one state indirectly harms another. The U.S. has attracted significant criticism through the decades for putting foreign firms in a position where they had to choose between continuing to engage with U.S. targets or losing the U.S. as a trading partner (and potentially facing significant fines) (Ryngaert 2020). The EU has historically deplored threats of secondary sanctions, as evidenced during US sanctions on China in the 60s and the USSR in the 80s (ibid.). Most recently, the 2018 re-imposition of sanctions on Iran reignited such tensions with the EU. Furthermore, judicial scholarship tends to consider secondary sanctions to be in breach of internal law. Through 'denials of access,' secondary sanctions infringe on state sovereignty and conflict with the law of jurisdiction (ibid.). From this perspective, the UN-U.S.'s current application of secondary sanctions for countries engaging with Iran is unlawful.

This paper raises the secondary sanctions controversy because any state or individual opposed to secondary sanctions should find even greater fault with secondary environmental harms. Unlike secondary sanctions, in which the sanctioning country intends to inflict economic pain as an additional form of pressure on the target country, neither primary nor secondary environmental pain are intended impacts. The U.S. and the UN want to cripple Iran's economy. Crippling the global environment not only lays outside that goal, but it could very well undermine it. Neither the UN nor the U.S. can afford to be associated with harming the global environment today without facing seething international criticism. Additionally, current international law articulates an obligation for states to prevent transboundary pollution from activities within a state's control (Jervan 2014). While global environmental harm could hypothetically be an intentional source of pain for sanctioning countries, such a strategy is unlikely to be used in practice due to current international political attitudes. Western countries cannot credibly lead climate discussions in international forums, set lofty climate goals, or ask developing nations to make steep environmental commitments, all while contributing to environmental damage. The UN and U.S. have more of an interest in distancing themselves from environmental harms, and thus the transboundary environmental impacts of sanctions represent a tremendous liability.

Opportunities for Mitigation

Mitigating environmental degradation requires addressing the causative mechanisms described earlier in this paper. This is more easily said than done, in part because some actors are more capable than others at addressing each mechanism. On one hand, the UN-U.S. and civil society have an outsized influence on the impact of sanctions. They can control access to technology, science, and training, as well as access to environmental aid. On the other hand, neither party can directly control how Iran responds to sanctions, such as through intensified natural resource extraction or an increased 'thirst for development'. Iran's power to address the causative mechanisms is still more limited. Forced to choose between environmental protection and its survival, the Iranian regime will always pick the latter (Lewis and Madani 2016). Mitigation efforts are also affected by pressure from the international community. Though the UN-U.S. is constrained on one hand by a desire to look tough on Iran and maintain their commitment to preventing nuclear weapons proliferation, they are constrained on the other hand by the international pressure to protect the environment. In contrast, the Iranian regime is already constrained by sanctions, leaving the international community limited leverage to pressure Iran to act in a more environmentally responsible manner. From this perspective, though environmental degradation is a consequence of both sanctions and Iran's response to sanctions, change has to start from outside the regime.

Exceptions and Exemptions

Exceptions and exemptions together represent one strategy the international community can undertake to mitigate environmental degradation while continuing to sanction Iran. Specifically, exceptions grant general approval to transfer goods deemed permissible, and exemptions establish licensing procedures to transfer goods to be excluded from restrictions (Preble and Brockmann 2021, 17). These strategies have already been used in mitigating humanitarian consequences of sanctions regimes. The EU, UN, and U.S. use exceptions and exemptions to allow passage of food, medical and agricultural equipment, and other emergency goods into Iran (ibid.). Given this precedent, extending exceptions and exemptions into the environmental context could facilitate passage of green technology, tools to make existing technology less polluting and more energy efficient, and improve research capacities. Despite the opportunity these strategies present, exceptions and exemptions suffer certain limitations. Actors aiming to make humanitarian transfers fear secondary UN-U.S. sanctions because most transfers rely on payment channels that make exchanges using the U.S. dollar, exposing aid providers to the threat of sanctions (Early and Peterson 2021). That fear breeds a culture of over compliance, where even in the presence of exceptions and exemptions, actors refrain from making aid transfers

Specific purpose vehicles and humanitarian trade channels

Specific purpose vehicles and humanitarian trade channels represent a second kind of tool: financial mechanisms that facilitate the transfer of specific goods and avoid using the US dollar or US-linked banking institutions, thereby avoiding secondary sanctions (Preble and Brockmann 2021, 19). Already, the U.S., EU, and Switzerland have implemented such mechanisms to send goods to Iran (ibid.). Similar to exceptions and exemptions, financial mechanisms have so far primarily been used in the humanitarian context. One such mechanism is the Instrument in Support of Trade Exchanges (INSTEX), established in 2019 by the U.K., France, and Germany's E3 group. INSTEX was designed to work around US secondary sanctions in cases where they impede economic cooperation and undermine the benefit that lifting sanctions is meant to impart (ibid., 20). Creating a work-around became key in light of European countries choosing to uphold commitments made under the JCPOA following the U.S.'s re-imposition of sanctions on Iran. INSTEX creates a parallel payment mechanism, allowing European financial institutions to avoid transfers that involve the U.S. dollar (ibid.). INSTEX could be extended beyond the humanitarian sphere to facilitate environmentally focused transfers. European countries would likely be open to this extension, given that INSTEX was initially conceived to facilitate all manner of economic transfer with Iran (ibid.). U.S. pressure led the E3 to focus on the humanitarian sector alone, but the U.S. is unlikely to oppose inclusion of environmental aid transfers given their political interest in improving Iran's environmental situation amidst sanctions. Yet, INSTEX also faces certain challenges. Over compliance is still an issue, and INSTEX has so far been implemented just once: in 2020 to send German blood treatment equipment to Iran (ibid.). This suggests that without Europe extending the scope of INSTEX or the U.S. providing assurance against the threat of secondary sanctions, this mechanism will remain insufficient to mitigate the negative consequences of sanctions, humanitarian or environmental.

Dialogue and Outreach

Dialogue and outreach represent one final strategy that members of the international community can employ. By coordinating with aid organizations, foreign governments and NGOs can learn more about the domestic circumstances of a sanctions target. This includes alerting them to key crises facing the sanctioned country and ensuring they are aware of the exceptions, exemptions, and trade channels that exist to facilitate the flow of much-needed goods (ibid., 21). Because countries fear secondary sanctions and are prone to over compliance, raising awareness and ensuring that financial institutions understand what they can do to help may boost the efficacy of the previous two mechanisms described. For instance, the International Committee of the Red Cross created a briefing and a summit between the EU Council Working Party on Humanitarian Aid and Food Aid and the Working Party of Foreign Relations Councilors (ibid.). International actors used this meeting to exchange information on how to transfer humanitarian aid more effectively to Iran (ibid.). Similarly, meetings that include environmental organizations could help raise awareness in the international community for the environmental impacts of sanctions and educate aid actors on how best to avoid secondary sanctions while supporting Iran's environmental wellbeing.

What the UN-U.S. Can Do

The three strategies outlined above focus on actions that members of the international community can take to help Iran's environment. This final section focuses on what can be done by the actors applying sanctions to begin with. One strategy would be to implement smart sanctions. Making sanctions 'smarter' may mean fine-tuning comprehensive sanctions to make them a more specialized policy instrument, or it may mean trying to apply sanctions effectively while avoiding needless costs on the world's most vulnerable (Drezner 2011, 102). This paper is most interested in the latter approach. Though appealing in theory, smart sanctions aiming to avert environmental consequences may weaken the tool's overall efficacy (ibid.). It so far remains unclear whether sanctioners can have their cake and eat it too; maximize their coercive power while minimizing negative externalities. An alternative approach the UN-U.S. could take is to slowly reengage economically with Iran, providing the capital flows necessary for the country to address its most pressing environmental problems (Bartlett and Hakim 2021). Given the political instability associated with Iran's environmental crises and the lengths the regime has gone to linking environmental problems to UN-U.S. sanctions, Iran's leaders are more likely than not to respond to lifted sanctions with greater investment in the environmental sector (Lewis and Madani 2016). Naturally, lifting sanctions is probably the most effective strategy to mitigate sanctions-induced environmental degradation. But whether, in the short term, negotiations progress to a point that the gradual easing of sanctions becomes possible remains unclear. Until that time comes, the previous strategies described may provide reasonable workarounds to limit environmental damage.

Conclusion

The primary aim of this paper is to highlight an issue that has so far attracted limited attention from the international community. That the environmental impacts of economic sanctions are only just beginning to attract international attention comes as little surprise. Awareness for environmental issues generally is constrained by a lack of visibility and by timescale issues. In Iran's case, the country's climate crisis is neither well covered by the Western media nor is it always clear domestically, given that Iran's environmental posture has worsened gradually over a matter of decades. Awareness is now growing. Recent scholarship and the anecdotal experience of everyday Iranians highlight the rising threat posed by water scarcity, air and water pollution, deforestation, and other such issues. The positive relationship between sanctions severity and CO_2 emissions in Iran and the negative relationship between sanctions severity and the EPI across sanctioned states reflect that UN-U.S. sanctions contribute to environmental degradation. Understanding that sanctions are a contributing factor rather than a cause remains vital for accurately characterizing the nature of the relationship and seeking adequate solutions. Lifting sanctions remains the best option for improving Iran's environmental posture, but other strategies—providing exceptions and exemptions, creating specialized trade channels, and supporting dialogue and outreach, namely—have the potential to mitigate environmental harm amidst the continued application of sanctions. In undertaking any of the above strategies, the international community cannot take for granted the role of the Iranian regime. Mitigation efforts are only effective to the extent that they encourage Iran to curb its natural resource extraction and its 'thirst for development.' Luckily, so long as Iran is not forced to choose between the environment and its own survival, the country's leaders have every desire and incentive to invest more heavily in environmental protection. Iran's economic growth, regime stability, and long-term existence depend upon it.

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The Tragedy of Biafra: How Foreign Interests Caused Africa's Second-Deadliest War

Diego Alvarez de Lorenzana

The Nigerian civil war shook the African continent. As Africa's most populous state, Nigeria set a precedent of infighting and widespread violence at a national level. The civil war is often thought of as a struggle between the Hausa-Fulani peoples of the north and the Igbo people of the south; however, in examining closely the inextricable legacy of Britain from the unfolding of the Nigerian civil war, the imperial power is clearly implicated and shows deeply-substantiated signs of perpetuating the upheaval. The relationship between Nigeria and Britain both predating and coinciding with the civil war illustrated exactly how this is so, and various Cold War European states' relationships with Nigeria run parallel in this fashion, further corroborating the narrative of foreign interests being culpable for the havoc in Nigeria. Additionally, the topic necessitates an assessment of the role of the OAU, which upon further inspection is concluded as unimpactful, if not marginally beneficial.

Introduction

On May 30, 1967, Africa gained its latest independent state in a decade characterized by colonial powers relinquishing control over their African colonies. Tragically, this new state, the Republic of Biafra, would not receive the recognition it had wished for, soon thereafter dissolving under the might of its primary adversary, Nigeria, and quickly becoming a victim of the Nigerian Civil War, Africa's deadliest internal conflict at the time. Biafra's secession took place in May 1967 in the southeastern part of Nigeria, and the civil war followed by breaking out in July of that year and spreading across the country, drawing in considerable levels of international attention for an African affair. Although many variables contributed to this attention, two stand out in explaining why and how the international community was so gripped by the Nigerian Civil War: post-colonial Nigeria at the time was widely touted to be a nascent power; a booming population with bountiful natural resources and British institutions, the West African state was poised to be Britain's marquee success in Africa. Further contributing to the world's captivation, the Nigerian Civil War had the most fatalities out of any conflict on the African continent to its date, taking the lives of an estimated 50,000 through warfare and an additional 500,000–5,000,000 to starvation and the numerous associated perils of civil war (World Peace Foundation 2015). This paper seeks to answer the question that gripped the international community in

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1967, and which civil war scholars and historians alike continue to probe to this day: why did one of Africa's most promising newly-independent states fall into civil war and become the setting for the African continent's second-deadliest conflict to date? To answer this question, one must look outward from the Nigerian borders. Indeed, Nigeria was burdened with external influences dating well before its independence, and continued under such a strain throughout the rest of the 20th century. This paper argues that the Nigerian Civil War was caused by foreign imperial interests both predating and during the outbreak of violence, with an emphasis placed on Britain's role in Nigeria's transition to independence and Cold War actors using the war as a platform to advance their foreign policy agendas. Furthermore, this paper refutes the commonly-held notion that the Organization for African Unity (OAU) was at fault for the conflict, instead positing that foreign actors' actions exonerate the OAU from its lack of groundbreaking accomplishments.

Sowing the Seeds of War

"As Nigeria turned under England's indirect hand, so turned the continent."(-Diamond 2007, 345). This quote from the American anthropologist Stanley Diamond reveals exactly why Britain had such strong interests in Nigeria: consolidating control over the continent's most populous nation was tantamount to the success of Britain's colonial project in Africa. In 1914, under British rule, Nigeria was divided into two separate protectorates: Northern Nigeria and Southern Nigeria. The northern territory was home to the Hausa-Fulani, a largely Muslim ethnic group which adopted a tribal and communitarian way of life. The southern territory was occupied by the Christian-majority Igbos, who lived in hierarchical societies emphasizing upward mobility and individualism (Parker 1969, 8). This resulted in a materially poorer North and wealthier South, with the former having to be subsidized by the colonial government to remain fiscally viable (Uche 2008, 115). Although the division of the two Nigerias along cultural and ethnic lines promoted political stability within the colonies, the costs for the British taxpayer of having to finance Northern Nigeria became too great of a burden. Consequently, Britain proceeded to amalgamate the colonies and create a unified Nigeria where the South's oil revenue could offset the financial deficits of the North (Ibid, 115).

Britain establishing a single Nigeria through the process of amalgamation was a disastrous event for the trajectory of Nigerian stability and cohesion. Upon unification, Britain's first Governor General of Nigeria Frederick Lugard began to employ the strategy of indirect rule over the colony. To do so, Lugard needed willing chiefs to follow his command, so he turned to the poorly-educated Hausa-Fulani of the north, who were culturally accustomed to obedience, as opposed to the more rebellious Igbo whom he saw as a threat to British rule (Forsyth 1969, 18). What amounted was a swift political demarcation between the Hausa-Fulani of the north and the Igbo of the southeast, with the former being granted various governmental privileges and forming an amicable relationship with the colonizers, and the latter relegated to the peripheries of the Nigerian colony where they suffered total subjugation (Ibid, 18). However, the north also did not appreciate amalgamation despite its newfound privileges and were similar to the Igbos with respect to their distaste for the unified state, citing a desire to continue their development without being bound to the south (Uche 2008, 119). Nonetheless, the Hausa-Fulani did agree to amalgamation under the condition they be awarded 50% representation in the new government. This effectively disabled the Igbo from decision-making because they had to share the remaining 50% of political representation with the minority Yoruba peoples in the west of the country, ultimately ingraining de-facto rule by the north into the fabric of the Nigerian state (Forsyth 1969, 16-21).

Tensions between the Hausa-Fulani north and Igbo south would only continue to intensify when Britain increased its interest in Nigeria's natural resources. The British crown exacerbated Igbo resentment towards the north when they began delegating local Hausa-Fulani leaders to expropriate Igbo land for mining operations and building the administrative offices they would occupy (Chimee 2014, 20). It should be noted that coinciding with Britain's assertion of the north as conservators of the south, Britain upheld a 'One Nigeria' policy whereby it insisted that its main interest was promoting peace in Nigeria to justify its indirect thrall vis-à-vis the north—this, however, was a complete farce, as their actions in pursuit of Nigeria's oil show. It became apparent to the British that most of Nigeria's oil being located in the Igbo southeast threatened their access, at which point the British sacrificed the 'One Nigeria' facade to overtly collaborate with the north to guarantee favorable purchasing terms; 40% of Nigerian oil ended up in British possession at this time (Uche 2008, 122). Nigeria now fiercely divided along ethnic lines, the Igbo rose up against the British-manipulated Hausa-Fulani, culminating in the secessionist movement of the Republic of Biafra and the outbreak of the Nigerian Civil War.

The Perils of Foreign Players

The involvement of foreign actors in the civil war accelerated Nigeria's plight, with each state's actions clearly exhibiting how their efforts to advance their interests would amount to tumult and turmoil for both the Hausa-Fulani Nigerian state and Igbo peoples in the Republic of Biafra. In addition to institutionalizing the ethnic tensions that paved the way for civil war, Britain—as Nigeria's closest European ally—played a pivotal role on the side of the Nigerian government in their counterinsurgency efforts against Biafra. General Yakubu Gowo, the Nigerian head of state and fierce opponent of the Igbos, was provided with a limitless supply of arms from British forces (Audifferen 1987, 148). This was viewed as a key factor in the civil war's protracted nature, with a key U.N. delegate from Denmark at the time stating, "In our view an arms embargo might have assisted those [peacemaking] efforts." (UNGA 1968, 63-65). Britain's excuse for its behavior at this time was two-dimensional: it was able to once again default to its pacifistic 'one Nigeria' position to conceal its desires for a monopoly on resources, and, given that the civil war was taking place at the height of the Cold War, it was also able to stoke fears of an opportunistic Soviet Union that would jump to the support of the eventual victor (Audifferen 1987, 151). Beyond the boundless supply of arms, these disguises for Britain's intentions provided the justification for a naval blockade against the Biafran insurgents. The blockade was a deliberate attack on the Biafran people who mainly lived in coastal areas and led to an estimated 1,000,000 deaths over the twelve months following its imposition; moreover, it spoke to Britain's disregard for their detrimental role in the civil war, as international observers argued, a selective blockade that would have allowed foodstuffs for children would have proven equally effective (Forsyth 1969, 172). Another factor of Britain's involvement that prolonged the conflict was their effort to sabotage diplomatic efforts. As the war was being fought, there were numerous peace talks held across the continent, and African states friendly with Biafra informed them that British diplomacy was "working overtime" behind the scenes to convince players in the conflict that (i) Biafra was "finished," (ii) diplomacy was futile, and (iii) countries ought to ally with the Nigerian government to emerge alongside the eventual victors (Oluo 1978, 76). In an all-out attempt to consolidate control over unified Nigeria, Britain even went so far as to exploit its ties with the Shell-BP oil company. Shell-BP owed the Nigerian government a royalty of 5.5 million British pounds and, frustrated with the stagnating economic gains during the war, decided to solicit an advanced payment; Shell-BP, motivated by Britain's efforts, agreed (Uche 2008, 132).

Nigeria was a unique case in the broader context of the Cold War because, while the Soviet Union was vying for allyship with the Nigerian government, it took the same side as the British in the conflict. In addition to common interests with the British such as access to oil, the Soviet Union saw Nigerian allyship as an opportunity to fortify its relations in the Afro-Mediterranean Islamic sphere to compensate for its Cold War losses elsewhere in the Arab world (Diamond 2007, 354). To this end, the Soviets pumped their own steady flow of arms into the Nigerian forces, as well as multiple fighter jets—an act the British were unwilling to do (Audifferen 1987, 153). In concert with the Soviet Union, the short-lived United Arab Republic (UAR) procured a large number of arms for the Nigerian government as well, since they too wanted a stake in what they perceived to be the eventual victors of the war (Parker 1969, 9). Importantly though, Soviet influences on the Nigerian Civil War extended beyond material contributions—they were able to harness the power of propaganda. The Soviet Union stoked fears among African states of Biafra representing the infiltration of imperialism on the continent due to the secessionist state being organizationally-adjacent to Western democracies; in turn, this effort exacerbated and intensified armed resistance to the Biafran movement (Diamond 2007, 342).

Fanning the flames of war from the other side, France and Portugal saw the Republic of Biafra as a rare opportunity for strategic advances in Africa. France thought the deterioration of British influence over Biafra's oil fields could spell an opportunity to "fish in troubled waters," whereby amidst the dysfunction of the civil war and bolstering the Biafran project they could detract from British influence in the region (Audifferen 1977, 154). To carry this out, the French provided Biafran forces with arms in secrecy via their Biafran-allied colonies—Cote d'Ivoire and Gabon (Ibid, 154). Additionally, France's support offered the disadvantaged Biafrans a "psychological boost" which empowered troops to engage in conflict to a further extent than they would have otherwise (Parker 1969, 9). Similarly, Portugal had its own imperatives in siding with the Republic of Biafra. Being far economically inferior to France, it only provided a modest supply of arms; however, Portugal's contribution held more symbolism than substance, as the primary role of its donations was as a gesture to distract from its misconduct elsewhere in Africa (Diamond 2007, 344).

The Organization for African Unity

Many scholars who study the Nigerian War devote a substantial share of the blame on purported inaction and shortcomings of the OAU. Those who do so frequently argue that the organization had an overly conservative charter that restricted them from fulfilling their mandate (Akuchu 1977, 43-44), and that the OAU's peace conferences failed to meet their objectives because no conclusive agreements were reached between Nigeria and Biafra (Forsyth 1969, 241-255). However, these perspectives are extremely limited in their scope of the issue and fail to account for underlying causes.

The clauses in the OAU charter of "non-interference in the internal affairs of states" (Article III, 2) and "respect for the sovereignty and territorial integrity of each State and for its inalienable right to independent existence" (Article III, 3) are identified as constraining forces in the organization's peacemaking ability in the Nigerian Civil War (Akuchu 1977, 43). Indeed, these clauses may have hindered the organization's ability to ameliorate the conflict to great ends; notwithstanding, to understand why the OAU is absolved of fault for this, one must look at the successes it was able to achieve, as well as the external constraints and antagony it was challenged with. This paper has already displayed precisely how devastating the effects of foreign influences were on Nigeria's descent into civil war. In light of this reality, the OAU impressively worked within its parameters of influence to ensure that wholescale support of either the Biafrans or Nigerians was avoided from being adopted by any African state—an effort that ought to be regarded as a marked success (Ibid, 43). Furthermore, the enmity the OAU faced from Nigeria and Biafra themselves cannot be understated in how it impeded the organization's decision-making capabilities. The Nigerian government explicitly lay forth that any attempt at resolution by the OAU would be interpreted as foreign provocation, creating an incredibly difficult position for the OAU to maneuver when trying to solve the conflict (Ibid, 44). Furthermore, the Biafran side refused to attend the proverbial negotiating table due to earlier events in which they felt their right to self determination was being disrespected by the OAU (Ibid, 53). With both sides unwilling to engage with the very entity tasked with finding a resolution, it would be dishonest to try to place any of this failure on the OAU.

Another common accusation against the OAU is the futility of their peace talks—a routine practice whenever African states were undergoing violent conflicts. Such an interpretation of these talks is ignorant to the challenges they faced, the diversity in their outcomes, and even successes. In September 1968, at a Nigerian Civil War conference hosted by the OAU in Algiers, British and American representatives were disseminating false narratives about the state of the conflict to try to sway sympathy away from Biafra. This plan worked, eliciting new sanctions against Biafra from the conference's attendees (Oluo 1978, 77). Both Nigerian and Biafran leaders were aware of this type of conduct and for this reason often eschewed attendance, instead electing to commission associates of theirs to attend and sit on their behalf (Forsyth 1969, 248). This echoed the parties' reluctance to participate in these dialogues and facilitated a difficult environment to explore positive courses of action. Looking beyond the case of Nigeria, the OAU was able to find success in its other conferences such as sponsoring a ceasefire in the Algeria-Morocco conflict and a disengagement of violence in the Somalia-Ethiopia conflict. This indicates that the OAU indeed had the competencies to resolve conflicts by the diplomacy of its conferences and suggests that the other factors highlighted in this paper as impediments of conflict resolution must instead be looked at to explain the conferences' shortcomings. Ultimately however, OAU peace conferences did yield a modicum of progress that seldom receives adequate recognition. In the 1967 OAU session in Kinshasa, the OAU drafted a resolution to send a consultative mission of six African heads of state to the Nigerian government to underscore the continent's and organization's commitment to a peaceful resolution of the civil war, marking a formidable effort which yielded tangible action (OAU 1967, 1243). Brought into the scope of the myriad limitations and adversaries the OAU faced in its two years of working towards settling the Nigerian Civil War, the fact that any resolution whatsoever was met in Kinshasa can be seen as a resounding success.

Conclusion

The day after the Nigerian Civil War broke out on the 7th of July, the British High Commissioner in Nigeria was quoted as saying, "Our interests, particularly in oil, are so great that they must override any lingering regret we feel for the disintegration of British made Nigeria." (Uche 2008, 122). It is this attitude which came to define the mandates of the various foreign powers who engaged in Nigeria leading up to and during the civil war and ultimately compelled them to act in self-interests so irrespective of Nigerian prosperity that they are now remembered as the central causes for the repression of a nation, millions of innocent civilian casualties, and enabling Africa's second-deadliest civil war in its history. Britain set the precedent for treating Nigeria with little regard for its autonomy as an independent state and would be the first to prove how the country's civil war was a symptom of these types of attitudes, as observed in the ethnic tensions crystalized from amalgamation and their ensuing accentuation as Britain concentrated control over the country's natural resources in the hands of the Hausa-Fulani. As more foreign powers cast their agendas onto the backdrop of Nigeria, the civil war was only exacerbated. The arms procured, ideas promulgated, and strategies employed—from the southern shores of Biafra to the political epicentre of the Nigerian forces in Lagos—indubitably inflated the number of deaths and prolonged warfare. These conditions of foreign interference also provide the context for the legacy of the OAU. Often disparaged and blamed during the Nigerian Civil War for what many describe as a failure to resolve the crisis, when taken into perspective with the obstacles of European forces who inserted themselves in Nigeria's affairs, the OAU demonstrated strong fulfillment of their limited capabilities and exhibited entitlement to a degree of commendation in the Nigerian Civil War. To overlook the case of the Nigerian Civil War as a standard civil war typical of the global south in the 20th century would be to ignore a monumental chapter in the history of Africa and European foreign policy. The causes and effects of foreign intervention displayed by neo-imperial Europe consistently demonstrated adverse outcomes for the very populations they claimed to be helping, and, should adequate recognition of these patterns permeate mainstream scholarship and literature, the Nigerian Civil War has the potential to be a catalyst for change in how countries of the Global North conduct themselves in their foreign affairs for years to come.

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