Impact of Economic Sanctions on Diplomatic Relations: A Comparative Analysis in United States

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Purpose: The aim of the study was to analyze the impact of economic sanctions on diplomatic relations: a comparative analysis

Methodology: This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

Findings: Economic sanctions wielded by the United States impact diplomatic relations in multifaceted ways. While they can isolate adversaries economically, they often strain diplomatic ties, escalating tensions. Success hinges on factors like target country resilience and international support. Unilateral actions may undermine US diplomatic credibility. Diplomatic efforts, like negotiations and exemptions, are vital for mitigating consequences and fostering conflict resolution.

Unique Contribution to Theory, Practice and Policy: Theory of economic coercion, theory of reciprocity and tit-for-tat & theory of economic interdependence may be used to anchor future studies on impact of economic sanctions on diplomatic relations: a comparative analysis. Diplomatic practitioners should prioritize sustained engagement and dialogue as essential tools for managing the diplomatic fallout of economic sanctions, leveraging both traditional and non-traditional diplomatic channels. Policymakers should adopt flexible and context-specific approaches to economic sanctions, recognizing that a one-size-fits-all approach may not effectively achieve diplomatic objectives.

Keywords: Economic Sanctions, Diplomatic Relation, Comparative Analysis

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INTRODUCTION

In developed economies like the United States, diplomatic relations are characterized by a multifaceted approach aimed at promoting national interests, fostering international cooperation, and maintaining strategic alliances. For instance, diplomatic relations between the United States and the European Union (EU) have been historically strong, with both entities collaborating on various economic, security, and diplomatic initiatives. According to data from the U.S. Department of State, in 2019, the United States exported goods worth $808.4 billion to the EU, while importing goods valued at $631.3 billion, highlighting the significant economic ties between the two entities (U.S. Department of State, 2020). Furthermore, diplomatic engagements between the United States and key allies such as Japan are crucial for maintaining regional stability and promoting shared security interests. For example, the U.S.-Japan Security Treaty, signed in 1951 and revised in 1960, serves as the cornerstone of bilateral security cooperation, allowing for the presence of U.S. military forces in Japan for mutual defense purposes (Koizumi, 2018).

Similarly, in the United Kingdom (UK), diplomatic relations play a vital role in shaping foreign policy objectives and promoting bilateral cooperation with key partners. The UK's diplomatic engagements with the European Union have evolved significantly, particularly in the context of Brexit and the subsequent negotiations over the future relationship between the UK and the EU. According to the Office for National Statistics (ONS), in 2019, the EU accounted for 43% of UK exports of goods and services and 51% of UK imports, underscoring the importance of diplomatic efforts to secure favorable trade arrangements post-Brexit (Office for National Statistics, 2020). Additionally, diplomatic ties between the UK and emerging economies such as India have gained prominence in recent years, with both countries seeking to strengthen economic and strategic cooperation. For instance, the UK-India Joint Economic and Trade Committee (JETCO) serves as a platform for enhancing bilateral trade and investment, with the UK being one of the largest investors in India (FICCI, 2020).

In developing economies, diplomatic relations often focus on enhancing economic cooperation, promoting development assistance, and addressing shared challenges such as poverty, climate change, and security threats. For example, China's diplomatic engagements with African countries have expanded significantly in recent years, driven by China's Belt and Road Initiative (BRI) and its growing economic presence in the region. According to data from the Chinese Ministry of Commerce, China-Africa trade volume reached $208.7 billion in 2019, with China being Africa's largest trading partner for 11 consecutive years (Ministry of Commerce of the People's Republic of China, 2020). Additionally, diplomatic efforts such as the Forum on China-Africa Cooperation (FOCAC) serve as platforms for dialogue and cooperation on issues ranging from infrastructure development to public health.

Similarly, India's diplomatic relations with neighboring countries in South Asia play a crucial role in promoting regional stability and economic integration. For instance, India's "Neighborhood First" policy aims to strengthen ties with countries in South Asia through enhanced trade, connectivity, and development cooperation. According to the Ministry of External Affairs of India, India's trade with South Asian countries reached $23.8 billion in 2019-2020, reflecting the growing economic linkages within the region (Ministry of External Affairs, Government of India, 2020). Additionally, diplomatic initiatives such as the South Asian Association for Regional Cooperation

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(SAARC) provide a platform for addressing common challenges and fostering regional cooperation in areas such as trade facilitation, energy, and counter-terrorism.

In Latin America, diplomatic relations are characterized by efforts to promote regional cooperation, address socio-economic disparities, and strengthen democratic governance. For example, diplomatic engagements within the Union of South American Nations (UNASUR) and the Community of Latin American and Caribbean States (CELAC) aim to promote political dialogue, economic integration, and social development across the region. According to the Economic Commission for Latin America and the Caribbean (ECLAC), intra-regional trade among Latin American and Caribbean countries accounted for 17% of total trade in the region in 2019, demonstrating the importance of diplomatic efforts to enhance economic ties (ECLAC, 2020). Additionally, diplomatic initiatives such as the Pacific Alliance, which includes Chile, Colombia, Mexico, and Peru, focus on promoting trade liberalization and economic cooperation among member states, reflecting a commitment to regional integration and economic development (Pacific Alliance, 2020).

In the Middle East, diplomatic relations are shaped by geopolitical dynamics, security concerns, and regional rivalries. For example, diplomatic engagements within the Gulf Cooperation Council (GCC) aim to promote economic cooperation and collective security among member states. According to the Gulf Research Center, intra-GCC trade reached $125 billion in 2019, highlighting the importance of diplomatic efforts to enhance economic ties within the region (Gulf Research Center, 2020). Additionally, diplomatic initiatives such as the Arab League serve as platforms for political dialogue and cooperation on regional issues such as conflict resolution and counter-terrorism. However, diplomatic relations in the Middle East are also characterized by longstanding conflicts and tensions, such as the Israeli-Palestinian conflict and the rivalry between Iran and Saudi Arabia, which pose challenges to regional stability and cooperation (Rynhold & Hofmann, 2017).

In Southeast Asia, diplomatic relations play a crucial role in promoting economic integration, security cooperation, and political dialogue among member states. For instance, diplomatic engagements within the Association of Southeast Asian Nations (ASEAN) aim to promote peace, stability, and prosperity in the region. According to the ASEAN Secretariat, intra-ASEAN trade reached $693 billion in 2019, reflecting the success of diplomatic efforts to enhance economic cooperation (ASEAN Secretariat, 2020). Additionally, diplomatic initiatives such as the ASEAN Regional Forum (ARF) provide a platform for dialogue and cooperation on security issues, including maritime security, counter-terrorism, and non-proliferation. However, diplomatic relations in Southeast Asia are also influenced by competing territorial claims in the South China Sea and historical tensions among member states, underscoring the complexity of regional dynamics (Jones, 2016).

In Sub-Saharan Africa, diplomatic relations are vital for promoting regional integration, economic development, and addressing common challenges such as poverty, conflict, and disease. For instance, diplomatic engagements within the Economic Community of West African States (ECOWAS) have been instrumental in promoting peace and stability in the region. According to the World Bank, intra-regional trade among ECOWAS member states accounted for about 10% of total trade in West Africa in 2019, highlighting the importance of diplomatic efforts to enhance
economic cooperation (World Bank, 2020). Additionally, diplomatic initiatives such as the African Union (AU) play a crucial role in fostering political dialogue and cooperation among African countries. The AU’s Agenda 2063, aimed at promoting socio-economic development and integration, underscores the significance of diplomatic relations in advancing Africa's development aspirations (African Union Commission, 2020).

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Moreover, diplomatic relations between Sub-Saharan African countries and external partners, such as China, have become increasingly significant in recent years. China's diplomatic engagements with African countries, often facilitated through forums like the Forum on China-Africa Cooperation (FOCAC), have expanded economic ties and led to substantial infrastructure investment across the continent. For instance, China's Belt and Road Initiative (BRI) has funded numerous infrastructure projects in Sub-Saharan Africa, including ports, railways, and telecommunications networks (Johnston, 2020). However, while these investments have contributed to economic growth, they have also raised concerns about debt sustainability and dependency on Chinese financing (Whitfield & Therkildsen, 2019). Therefore, diplomatic relations between Sub-Saharan African countries and external partners must navigate these complexities to ensure mutual benefit and sustainable development.

In Sub-Saharan Africa, diplomatic relations extend beyond regional cooperation to encompass engagement with global powers and international organizations. For instance, diplomatic ties between Sub-Saharan African countries and the United States have been historically significant, with the U.S. being a major player in development assistance, security cooperation, and trade relations in the region. According to data from the U.S. Agency for International Development (USAID), the United States provided over $8 billion in assistance to Sub-Saharan Africa in 2019, supporting initiatives in health, education, governance, and economic growth (USAID, 2020). Additionally, diplomatic engagements such as the African Growth and Opportunity Act (AGOA) have facilitated trade and investment between the United States and African countries, promoting economic development and job creation (U.S. Department of State, 2020).

Furthermore, diplomatic relations between Sub-Saharan African countries and European powers, particularly former colonial rulers, continue to influence regional dynamics. For example, France maintains close diplomatic ties with its former colonies in West Africa, playing a significant role in security cooperation, development assistance, and regional peacekeeping efforts. The European Union (EU) also engages with Sub-Saharan African countries through diplomatic channels,
providing development assistance, promoting trade and investment, and addressing common challenges such as migration and climate change (European Commission, 2020). However, diplomatic relations between Sub-Saharan African countries and external partners are not without challenges, including issues related to sovereignty, dependency, and unequal power dynamics. Therefore, ongoing diplomatic efforts must prioritize mutual respect, equality, and cooperation to ensure sustainable development and prosperity in the region.

Economic sanctions are a form of coercive diplomacy employed by states or international organizations to influence the behavior of target entities through economic means (Drezner, 2003). Conceptually, economic sanctions encompass a wide range of measures, including trade embargoes, financial restrictions, investment prohibitions, and asset freezes, aimed at imposing economic costs on the targeted entity (Hufbauer, 2007). The effectiveness of economic sanctions hinges on their ability to impose significant economic hardship on the target while minimizing negative repercussions on sender states or third-party actors (Pape, 1997). Moreover, economic sanctions are often employed as a tool of last resort in response to perceived violations of international norms, security threats, or human rights abuses, reflecting the intersection of economic interests and diplomatic objectives (Drezner, 2003).

Four of the most likely economic sanctions include trade embargoes, financial sanctions, export controls, and investment restrictions, all of which have implications for diplomatic relations. Trade embargoes, such as those imposed by the United States on Cuba, directly impact bilateral relations by restricting trade and economic interactions between sender and target countries (Hufbauer, 2007). Financial sanctions, such as asset freezes and banking restrictions, can strain diplomatic relations by impeding financial transactions and limiting access to global financial markets, as seen in the case of Iran (Lektzian & Souva, 2007). Export controls, which regulate the export of goods and technologies with potential military or dual-use applications, can lead to tensions in diplomatic relations by limiting the flow of strategic goods and technologies between sender and target countries (Davis, 2008). Finally, investment restrictions, such as those imposed by the European Union on Russia in response to its annexation of Crimea, can affect diplomatic relations by discouraging foreign investment and undermining economic cooperation (Hufbauer, 2007).

**Problem Statement**

Economic sanctions have emerged as a prominent tool in international relations, employed by states to influence the behavior of other nations. However, the consequences of these sanctions extend beyond their intended economic impact, often affecting diplomatic relations between the imposing and targeted countries. Despite their widespread use, there remains a significant gap in understanding the multifaceted effects of economic sanctions on diplomatic relations. While some studies suggest that sanctions strain diplomatic ties, others argue that they can foster cooperation and dialogue. Furthermore, the effectiveness of sanctions in achieving diplomatic objectives varies across different geopolitical contexts and historical periods. This study aims to address these gaps by conducting a comparative analysis of the impact of economic sanctions on diplomatic relations, examining recent case studies and scholarly literature to provide insights into the complex dynamics at play. By analyzing the nuanced interactions between economic coercion and diplomatic engagement, this research seeks to offer a comprehensive understanding of how economic sanctions shape diplomatic relations in the contemporary global landscape Wang (2018).
Theoretical Framework

Theory of Economic Coercion

Originating from the field of international relations, the Theory of Economic Coercion posits that economic sanctions are a form of non-military coercion used by states to influence the behavior of other states. Coined by Robert Pape, this theory suggests that economic sanctions can be effective in achieving diplomatic objectives, such as altering the policies or behavior of the target state, by inflicting economic costs and inducing compliance (Pape, 1997). In the context of the suggested topic, this theory is relevant as it provides a framework for understanding how economic sanctions impact diplomatic relations between states, influencing their decision-making processes and behavior.

Theory of Reciprocity and Tit-for-Tat

The Theory of Reciprocity and Tit-for-Tat, originating from game theory and international relations, suggests that states respond to actions taken by other states in a reciprocal manner. Proposed by Robert Axelrod, this theory posits that states are likely to retaliate in kind when faced with economic sanctions, leading to a cycle of action and reaction that can escalate tensions and strain diplomatic relations (Axelrod, 1984). In the context of the suggested topic, this theory highlights the importance of considering the potential for retaliatory measures and the impact of reciprocity on diplomatic interactions in the context of economic sanctions.

Theory of Economic Interdependence

Originating from the field of international political economy, the Theory of Economic Interdependence emphasizes the interconnectedness of states through economic relations and the potential for mutual dependence to shape their behavior. Scholars like Robert Keohane and Joseph Nye argue that economic interdependence can mitigate conflict and promote cooperation between states, as the costs of conflict outweigh the benefits (Keohane & Nye, 1977). In the context of the suggested topic, this theory underscores the complexities of diplomatic relations impacted by economic sanctions, as states navigate between leveraging economic interdependence for diplomatic leverage and managing the risks of escalation.

Empirical Review

Wang (2018) decades was collected from various international databases, including diplomatic archives and economic indices. Employing econometric methods such as panel data regression, Wang assessed the correlation between the imposition of economic sanctions and the deterioration of diplomatic relations over time. The study controlled for variables such as geopolitical context, regime type, and economic interdependence to isolate the impact of sanctions on diplomacy. Findings revealed a statistically significant negative relationship, indicating that economic coercion often leads to diplomatic strain. Specifically, the study observed a decrease in diplomatic exchanges, increased rhetoric, and a higher likelihood of diplomatic incidents following the imposition of sanctions. These findings underscored the importance of considering the diplomatic consequences of economic sanctions in foreign policy decision-making.

Smith (2017) approached selecting a diverse range of countries subjected to economic sanctions for in-depth analysis. Through extensive document analysis, including government reports,
diplomatic cables, and media sources, the researchers examined the diplomatic responses of targeted countries to economic coercion. The study revealed a spectrum of responses, ranging from defiance and escalation to diplomatic overtures aimed at de-escalation and conflict resolution. Interestingly, the research identified instances where targeted nations leveraged diplomatic channels to mitigate the effects of sanctions, emphasizing the importance of nuanced diplomatic strategies in navigating economic pressure. Recommendations from this study included the adoption of flexible diplomatic approaches tailored to the specific context and objectives of economic sanctions.

Patel (2019) focused on the negotiation dynamics surrounding the Iran nuclear deal, combining qualitative interviews with policymakers and quantitative analysis of diplomatic exchanges during negotiations. Through interviews with key stakeholders involved in the negotiations, including diplomats, policymakers, and subject matter experts, the study provided insights into the diplomatic challenges and opportunities presented by economic sanctions. Quantitative analysis of diplomatic interactions before, during, and after the negotiation period offered empirical evidence of the impact of diplomatic engagement in mitigating the effects of economic coercion. The study highlighted the critical role of sustained dialogue and diplomatic outreach in fostering trust and cooperation between sanctioning and targeted countries. Recommendations included prioritizing diplomatic negotiations as a primary means of resolving disputes exacerbated by economic sanctions.

Lee (2016) examined the impact of economic sanctions on North Korea and Russia, two countries subjected to significant economic pressure from the international community. Drawing on a range of primary and secondary sources, including diplomatic statements, economic data, and media reports, the study explored the nuanced differences in diplomatic responses to sanctions across different geopolitical contexts. Findings revealed that while both countries faced diplomatic challenges as a result of sanctions, their responses varied based on factors such as regime resilience, geopolitical alliances, and domestic political dynamics. The study underscored the importance of contextual factors in shaping diplomatic strategies in response to economic coercion, emphasizing the need for tailored approaches to address unique challenges presented by sanctions.

Garcia (2015) focused on the role of soft power in mitigating the diplomatic fallout of economic sanctions, employing content analysis of diplomatic speeches, media narratives, and cultural exchange initiatives. Through systematic analysis of diplomatic discourse and media representations, the study examined the ways in which targeted countries sought to counteract negative perceptions and build diplomatic bridges through soft power initiatives. Findings suggested that diplomatic outreach, cultural exchange programs, and public diplomacy efforts played a crucial role in maintaining dialogue and fostering mutual understanding in the face of economic pressure. Recommendations included investing in soft power initiatives as a complementary strategy to traditional diplomatic approaches in navigating the challenges posed by economic sanctions.

Nguyen (2018) tracked changes in diplomatic relations between sanctioning and targeted countries over time, employing a mixed-methods approach combining quantitative analysis of diplomatic exchanges with qualitative interviews and archival research. By examining diplomatic interactions
before, during, and after the imposition of economic sanctions, the study provided insights into the dynamics of diplomatic engagement in the context of economic coercion. Findings revealed that while initial diplomatic strains were common following the imposition of sanctions, sustained engagement and diplomatic efforts could lead to gradual improvements in relations over time. The study highlighted the importance of patience, persistence, and diplomatic creativity in navigating the complexities of diplomatic relations under economic pressure.

Kim (2017) examined the interconnectedness of diplomatic ties before and after the imposition of economic sanctions, employing network theory and statistical modeling techniques to map changes in diplomatic relationships over time. By analyzing diplomatic exchanges, bilateral visits, and multilateral engagements, the study assessed the impact of sanctions on the structure and dynamics of diplomatic networks. Findings revealed that while sanctions often disrupted traditional diplomatic channels, they also spurred the formation of new alliances and partnerships, illustrating the adaptive nature of diplomatic relations in response to economic coercion. Recommendations included leveraging emerging diplomatic networks to mitigate the effects of sanctions and promote constructive dialogue between sanctioning and targeted countries.

**METHODOLOGY**

This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low-cost advantage as compared to field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

**FINDINGS**

The results were analyzed into various research gap categories that is conceptual, contextual and methodological gaps

**Conceptual Gap:** While existing studies by Wang (2018) examined the correlation between economic sanctions and diplomatic strain, there is a need for a more nuanced conceptual understanding of the mechanisms underlying this relationship. Specifically, future research could explore the mediating factors that influence the impact of economic coercion on diplomatic relations, such as perceptions of legitimacy, the role of third-party mediators, and the effectiveness of diplomatic communication strategies in mitigating tensions.

**Contextual Gap:** The comparative analysis of economic sanctions on North Korea and Russia conducted by Lee (2016) highlights the importance of contextual factors in shaping diplomatic responses to sanctions. However, there is a lack of research that systematically compares the diplomatic strategies employed by targeted countries across different geopolitical contexts. Future studies could address this gap by conducting comparative analyses of diplomatic responses to economic sanctions in diverse regions, considering factors such as regime type, historical alliances, and regional power dynamics.

**Geographical Gap:** While existing research Kim (2017) examined the impact of economic sanctions on diplomatic relations in various regions, there is a geographical gap in the literature regarding the diplomatic consequences of sanctions in specific areas, such as the Middle East or
Latin America. Future studies could fill this gap by conducting region-specific analyses of the diplomatic implications of economic coercion, taking into account the unique political, economic, and cultural dynamics of each region.

CONCLUSION AND RECOMMENDATIONS

Conclusions
In conclusion, the impact of economic sanctions on diplomatic relations is multifaceted and context-dependent, as evidenced by the diverse array of empirical studies analyzed in this comparative analysis. While economic coercion often strains diplomatic ties, the responses of targeted nations vary widely, ranging from defiance and escalation to diplomatic outreach and negotiation. Importantly, the effectiveness of sanctions in achieving diplomatic objectives hinges on factors such as regime resilience, geopolitical context, and the availability of diplomatic channels for dialogue. Soft power initiatives, including cultural exchange programs and public diplomacy efforts, have emerged as complementary strategies for mitigating the diplomatic fallout of economic sanctions and fostering mutual understanding between sanctioning and targeted countries. Furthermore, longitudinal studies highlight the potential for diplomatic relations to evolve and improve over time, underscoring the importance of sustained engagement and diplomatic creativity in navigating the challenges posed by economic coercion. Overall, this comparative analysis underscores the need for nuanced, context-specific approaches to diplomacy in the face of economic pressure, emphasizing the dynamic nature of diplomatic relations in the contemporary global landscape.

Recommendations

Theory
Further research should focus on developing nuanced theoretical frameworks that account for the complex dynamics of economic coercion and diplomatic relations, considering factors such as regime type, geopolitical context, and the role of soft power. Theoretical models should integrate insights from diverse disciplines, including international relations, economics, and sociology, to provide a comprehensive understanding of the interplay between economic sanctions and diplomacy.

Practice
Diplomatic practitioners should prioritize sustained engagement and dialogue as essential tools for managing the diplomatic fallout of economic sanctions, leveraging both traditional and non-traditional diplomatic channels. Soft power initiatives, such as cultural exchange programs and public diplomacy efforts, should be integrated into diplomatic strategies to mitigate the negative perceptions and build mutual trust between sanctioning and targeted countries.

Policy
Policymakers should adopt flexible and context-specific approaches to economic sanctions, recognizing that a one-size-fits-all approach may not effectively achieve diplomatic objectives. Sanctioning states should consider the potential diplomatic consequences of economic coercion, weighing the short-term economic gains against the long-term diplomatic costs. International
institutions and multilateral frameworks should play a proactive role in facilitating diplomatic dialogue and conflict resolution in the context of economic sanctions, providing neutral platforms for negotiation and mediation.
REFERENCES


