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## **The Nexus between the Democratic Peace Theory and Economic Coercion: Why Democracies Fight Each Other?**

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### *Abstract*

Recent research shows that the Democratic Peace Theory (hereinafter referred to as DPT) is based on the dyadic (democracies rarely if ever fight one another) and the monadic (democracies are more peaceful in general) assumptions. In asserting these premises the DPT has concentrated mainly on militarized conflict. However, recent scholarly work has shown that the definition of the term “conflict” has widened in scope to include economic conflict prompting the use of coercion. Using some sanctions episodes in Hufbauer Clyde Gary et al (2006) this article investigates how and why democracies have used *economic sanctions* against each other despite their shared values and beliefs, economic interdependence and universal conflict resolution mechanisms that presumably favor peace. This research seeks to falsify the dyadic premise/claim of the DPT by citing a clash of interests, domestic values and priorities among citizens, high levels of trade between democracies and economic strength of democracies as factors facilitating democracies sanctioning each other.

*Key words:* democratic peace theory (DPT), economic sanctions/coercion, democracies.

### **Introduction**

A significant number of studies empirically tested and validated the assertion that democracies do not go war with one another (Kant 1969; Babst 1972; Singer and Small 1976; Rummel 1979; Chan 1984; Layne 1994; Cohen 1995; Owen 2004). Furthermore, vast empirical research on DPT

has rigorously focused on militarized conflict, of different historical epochs, hence conclusively drawing decidedly mixed results. However, a majority of these researches have restricted the meaning of the term “conflict” to armed disputes. Chan (1997) reiterates that, whether conflict is defined as war, intervention or militarized disputes, is of less importance.<sup>1</sup> This is because a vast number of empirical studies that have concluded democracies are not less conflict-prone than non- democracies in general have reinforced Doyle’s statement that is “*the very constitutional restraint, shared commercial interest, and international respect for individual rights that promote peace among liberal societies can exacerbate conflicts between conflict and nonliberal societies*”.<sup>2</sup> Nonetheless, it remains of paramount significance to ascertain whether other types of conflict behavior such as economic sanctions are relevant to the propositions of the DPT especially against a background that, the use of militarized disputes is becoming less prevalent. In a bid to avoid the hostilities caused by armed conflict, most countries have resorted to other less devastating punitive coercive foreign policy tools in dealing with countries purportedly advancing objectionable policies. Analyzing the DPT on the basis of armed conflicts only, is not only incomplete but also imprecise.

Consequently and of significance is that the DPT literature largely ignores conflicts (resolved by economic sanctions), despite the devastating effects of the two World wars which prompted to consider much less hostile ways of resolving disputes, hence the proliferation of economic coercive diplomacy. A limited number of studies have addressed the connection between sanctions and democratic peace<sup>3</sup> and or the association between trade sanctions and democratic peace. Additionally, these researches only concentrate on how the high amount of trade affects the less likelihood of trade conflicts.<sup>4</sup>

Although they may be fewer cases of democracies sanctioning each other, this research theorizes that democracies still sanction each other because of a clash of interests in domestic values and priorities, overriding their shared values and common norms. Additionally, cases involving high levels of trade as is the norm with industrialized countries attract the utilization of sanctions. It is amidst these enormous levels of trade that the prospects of dispute occurrence are exacerbated hence the use of sanctions as a way of dispute resolution. Although in some cases the dispute may not be pertaining trade, states have a tendency to take advantage of the trade levels to sabotage each other’s economies just as a way of influencing policy making. In some cases where two democracies (involved in conflict) are both economically strong, regulatory systems

(international rules) maybe rendered ineffective to provide a resonance basis for dispute resolution. Secondly, this article theorizes that the higher the economic development of a democratic state the more likely they are to use sanctions. This is because they have economic capabilities that make the sanctions more effective and more likely to accomplish their intended goal. These reasons also substantiate the reasoning behind democracies being the highest utilizers of economic sanctions more than any other regime typologies.

This article will proceed as follows. The first section will examine the link between the democratic peace theory and economic sanctions. Next is an assessment of why democracies use economic sanctions against each other. I evaluate the reasons why they use sanctions in conflict in spite of the factors which supposedly should make relations between them more cordial. Using the Freedom House Democracy Measurements Index to determine the levels of democracy in different states (from 1972-2006) and a comprehensive time-series cross-national data over the period 1972 -2000 on the use of sanctions in the 20<sup>th</sup> century Hufbauer Clyde Gary et al (2006), I seek to show that democracies do engage in economic conflict which they substitute for military conflict.<sup>5</sup> I then exemplify with sanctions episodes and substantiate accordingly why the use of sanctions is much easier between democratic states. The article concludes by outlining.

### **DPT and Economic Sanctions**

The relationship between DPT and the use of sanctions is multi-faceted. For instance, the use of economic sanctions as a foreign policy tool continues to increase as the wave of democratization proliferates, mainly because the liberal democrats have a desire to see a democratic world.<sup>6</sup> This is mainly because of the democratic states mindset that spreading the gospel of democracy will eventually lead to an eternally peaceful world- Zone of Peace.<sup>7</sup> To democratic states, this may be achievable through imposing sanctions to semi-democratic or non-democratic states that perpetrate policies objecting democracy as a concept. Nevertheless, democracies also sanction each other for other reasons that may not necessarily be related to the need for democratization. It was only after the World War 1(WW1) that governments started to recognize and consider the sanctions regime as a possible substitute of warfare or any kind of hostile situations. After World War 2 (WW2), although a number of other foreign policy became increasingly common, this did not deter the use of sanctions and in most cases were imposed to force target countries to withdraw their troops from border skirmishes, to abandon plans of territorial acquisition, or to

desist from other military adventures.<sup>8</sup> Undoubtedly, economic coercion is increasingly replacing militarized conflict and democracies are no exception in using this tool against both non-democracies and democracies.

A noteworthy portion of scholarship has explored the use of economic sanctions by democracies against non- democracies but there is very limited literature on how, why and when do democracies sanction other democracies. Limited in number as it is, does not imply limited incidences for such occurrences. Assuming all other variables constant, a democracy is 24 times more likely to use sanctions compared to a non-democracy.<sup>9</sup> The majority of democracies are large powers with a huge appetite for power, for which they believe nothing stops short from appeasing their interests. Indispensably, the common understanding propounded by a majority of scholars is that most democratic states trade immensely with each other, hence sanctioning each other may prove costly and risky. Additionally, and in other words this proposition states that the high levels of trade between democracies create a disincentive to engage in conflict –war between trading partners is bad for business.<sup>10</sup> Fundamentally, while it may be partly true that democracies trade more with each other than they do with non- democracies, it does not lessen the chances of them using sanctions against each other. In actual fact, the higher the level of trade, the more likely the prospects of disagreement and conflict. The US-EU trade and investment relationship is undoubtedly one of the most important in the world yet trade conflicts between these two powers is equally devastating. Put in other words, the total value of EU-US bilateral trade including services is currently (in and around figures) 500 billion Euros annually.<sup>11</sup> However trade tensions, consequently involving the use of sanctions as a conflict resolution mechanism have emanated with threats of a trade war in some cases.

In short, despite these high levels of trade, conflict is indispensable among democracies because of the complexities of globalized trade. Although there is consensus among trade analysts that democracies are likely to settle their trade disputes quickly, it is becoming public knowledge that trade conflicts between large and stable democracies are becoming increasingly difficult to resolve hence most democracies are resorting to using economic sanctions. Some of these trade conflicts have a potential to escalate into war. As Chan (2000) put it, “although military sanctions are clearly more damaging to economic relations, economic sanctions can create a trade war between two states and ultimately lead to autarky”. This implies that market liberalization, an outcrop of both globalization and democratization is further exacerbating

tension levels among states. The US and the EU among other Western countries are the chief architects and proliferators of democracy and for them necessarily democracy is a cornerstone for peace. The understanding is that a democratic world is a panacea for reducing wars. The major conflict between them is allegations that each side provides their civil aircraft producers Air Bus and Boeing with illegal production subsidies. Marking the 15<sup>th</sup> birthday of the World Trade Organization (WTO) the director-general Pascal Lamy reiterated that the US and the EU are the most frequent users of their dispute settlement board with US being the biggest plaintiff and defendant in WTO disputes.<sup>12</sup> The EU was planning to re-impose sanctions on US exports valued at \$ 2.4 billion in the Foreign Sales Corporation (FSC) – Extraterritorial Income (ETI) export subsidy dispute.<sup>13</sup> More so, in some instances some conflicts between great democratic powers are so overwhelming that regulatory institutions have failed to resolve these. The WTO dispute settlement mechanism has repeatedly been accused of favoritism towards superpowers in some instances or incompetence. Although it remains the highest appellate board meant to ensure the prevalence of sanity in the trade world it is not without flaws. Since there is no concept of punishment or restitution within the Dispute Settlement Board (DSB) of the WTO, some losing parties may fail to restore the conformity of its laws within the “reasonable period of time” and this may prompt the DSB to authorize a successful complainant to take retaliatory measures to induce action on the part of the losing party.<sup>14</sup>

The fact that two democracies do not fight each other is a correlation that may involve a spurious causation. One possible basis of spurious causation is that democratic countries are wealthy, wealthy countries tend to be involved with trade, and according to trade liberalism they are not likely to fight each other. It is hard to substantiate this claim especially after the two world wars. During the world wars and the period after, economic sanctions were used in various instances, despite states’ high levels of affluence. Such cases are between the US and Netherlands (1948-1949), US and UK (1956) to ensure the withdrawal of UK troops from Suez, Canada and Japan (1977-1978) regarding strengthening of nuclear safeguards, France and New Zealand (1986) in order to ensure the repatriation of French agents and many others.<sup>15</sup> Nevertheless, an inverse relationship can be picked up from this---democracies sanction each other and other non-democracies because they are well-capacitated to use economic sanctions. They can afford to do so, owing to their strong competent economies and these states have a strong belief that these sanctions have a higher chance of accomplishing their projected goals. It is irrational for a non-

democratic state to sanction any other regime types unless it has an extremely strong economy, merely because it stands to lose more, from the procedure. For example, it is unlikely that Zimbabwe would sanction US because it stands to lose more than if it had maintained cordial relations, because not only does Zimbabwe have a weak economy but US's influence on other larger economies may work against Zimbabwe resulting in the Zimbabwean economy screaming. On the contrary, United Kingdom may easily sanction Burundi or any other smaller democracy because it has the economic capability. In some instances democracies of almost the same economic level tend to sanctions each other. On the other hand, this further explains the variations in the number of times, different democracies with different levels of economic strength use sanctions. For instance, one scholar contends that because Australia and Canada lack the economic capabilities that give the sanctions of major powers their bite, the sanctions of these middle powers amount to no more than rain dance: they accomplish little but make the public feel that something is being done about a serious problem.<sup>16</sup> This implies that, middle powers like Canada and Australia are likely to employ economic sanctions on fewer occasions compared to big powers like USA. However, this does not nullify their use of economic sanctions. In this respect, in some instances, democracies use these covert actions against other democracies, often much weaker and more susceptible to such force.<sup>17</sup> US engaged in covert conflict with several new Latin American democracies in the 1980s<sup>18</sup> and sanctioned a good number of them. If this is the case, then the connection between the DPT and economic sanctions means that- democracies sanction each other because they have the aptitude and capability to withdraw cordial relations, in order to influence certain state actions yet still yielding more benefits than costs and this makes them the highest utilizers of this policy.

As one scholar puts it, the democratic peace theory is, “as close as anything we have to empirical law in international relations and this “law” is invoked by American statesman to justify a foreign policy that encourages democratization broad. Of the 115 times the United States employed sanctions since WW1, 61 occurred between 1993 and 1996 meaning the US among other states has the highest trend of using economic sanctions. By one count, 75 countries are now subjected to or threatened by US sanctions. Consequently, by stating that democracies rarely, if ever fight, the democratic peace theory tends to generalize because not only are democracies sanctioning each other but they have proven to be the highest utilizers of this foreign policy tool.

## **Data**

Hufbauer et al (2006) provides the most comprehensive time-series cross-national data over the period 1972 -2006 on the use of economic sanctions in the 20<sup>th</sup> century. The sanctions episodes discussed below are between democratic states as per the findings of Hufbauer et al (2006). It means therefore, these sanctions occurred after 1972. This research uses the Freedom House Organization democracy index to identify countries perceived as democracies since 1972 till now. It includes 191 countries and 6500 cases and democracy is measured in terms of political rights and civil liberties. Each index ranges from 1 to 7 with countries with a score of 1.0 to 2.5 considered free (democratic), 3.0 to 5.0 as partly free (partly democratic) and 5.5 to 7.0 as not free (non-democratic target).<sup>19</sup>

## **Variables**

This study uses Hufbauer et al (2006) for information on the incidences when sanctions were used between or amongst democracies, and identifies the dependent variable as whether economic sanctions were used or not.

This research identifies 3 independent variables as:

- 1) Democratic country trade levels
- 2) Economic strength of a democracy state and capacity of democratic states to withstand the costs of sanctions.
- 3) Domestic values and priority

## **Hypothesis**

This research asserts that democracies sanction each other despite some analysts of democratic peace theory disputing this through their support of the dyadic premise. Unlike other previous studies' assertions that democracies do not sanction each other because of institutional constraints, common values and quick dispute resolutions democratic dyads enjoy, this research seeks to prove otherwise that democracies do sanction each other mainly because of a clash of interests in domestic values and priorities overriding their shared values and common norms, in cases involving high levels of trade, and cases when both democracies are economically strong such that regulatory systems (international rules) are rendered ineffective to provide a resonance basis for dispute resolution. This research also affirms that democracies are the utmost users of

sanctions as a foreign policy tool more than any other regime typology because democracies are well-capacitated and have the resources to sanction other states without harming their own economies. The higher the economic development of a democratic state the more likely they are to use sanctions. Although some authors have alluded to the fact that democracies sanction non-democracies more for reasons of human rights abuse and enhancing democracy, it is important to note that democracies also sanction for many other reasons depending with the interaction of that democracy with other respective states. This implies that, for instance, democracies may sanction other democracies mainly because of trade disputes rather than their human rights record.

### **Why do democracies sanction each other?**

The basic understanding why democracies do not sanction each other is because there is a kind of understanding that exists between the general citizens in two different democracies and their leaders based on commonality in ideological belief. There is something about the internal makeup of democratic states that prevents them from fighting one another.<sup>20</sup> Whilst this claim may be partly true, it is invalidated by the fact that states view their personal interests as more important. Whichever form of government, essentially “states act in their national interest”. According to the liberals and constructivists national interests are defined by much more than the state’s position in the international system. To this effect, a state’s domestic values and priorities may override their shared values and common norms with other states or the fact that they are of the same regime typology. In a situation where a democratic domestic society accords more value on economic welfare and places more emphasis on trade than another democratic state, will definitely define its national interests differently. Therefore, this diversity in interests and domestic constraints may result in conflicts that leave no room for using any other means of dispute settlement mechanism apart from the use of coercive economic diplomacy. This substantiates why there are vast numbers of non-democracies that are not under US sanctions, that is why the US chooses to sanction some other states (whether democratic or undemocratic) and not others(whether democratic or undemocratic). Ironically, using the Polity IV Index and the Freedom House Democracy Measures of 2008, which defines democracy as the respect for political rights and civil liberties (US modern standards of democracy); China ranks 7 and 6 respectively out of 7 and is classified under the “Not Free” category.<sup>21</sup> Nonetheless, despite all the allegations on human rights abuses and absence of democratic structures as per the Western



standards of democracy, China is currently not on the US sanctions list of targeted countries. The reason why US would not extend sanctions China to improve the alleged human rights abuses is because currently US stands to benefit more, economically from a cordial relationship with the rising giant. Consequently, despite US staunch belief in modern democracy and their interest in globalizing the ideology, the US would rather opt for other non-violent and non-punitive methods of getting their message across which apparently do not include economic sanctions. Owing to the financial crisis, it is in US's best interests to maintain good relations with the rising East-Asian giant that currently has the largest \$US reserves that may help bail the US economy from the doldrums.

On the other hand, democracies are perceived to quickly resolve disputes in case a dispute arises because they possess common norms for conflict resolution.<sup>22</sup> It means that the pacifying effect of shared values and interest between democracies will render them less likely to sanction each other. Consequently it implies that because of these shared democratic norms in conflict resolution; disputes take lesser time to be resolved.<sup>23</sup> While this explanation is compelling, it is not complete by itself. It is more likely that in a militarized war, democracies may enhance such characteristics but in a situation where economic coercion is used it may not be so. This may be attributed to the fact that the devastating consequences of economic coercion are slow to show yet those of warfare are very quick to show. Nevertheless, this proof limits the parameters of the democratic peace theory to only armed conflict ignoring the other forms of conflict. In addition, constitutional checks and balances on making war are purported to work better when there is widespread public debate about the legitimacy of a battle or imposition of sanctions.<sup>24</sup> In a democracy, opinion polls allow people to vote for the use of economic coercion or war. Paradoxically, it is imprecise and rather myopic to ascertain that all citizens living in democratic states will vote against hostility. Undisputedly, while it is easier to stir up democratic citizens to wage a war against an authoritarian government, there still remains a possibility for the same citizens to wage a war against other democratic states as long as it is in their national interests to do so. In a stable and mature democratic state, opinion polls on whether to implement sanctions or not should not only be limited to armed warfare, but extend further even to the use of economic coercion. In 2003, opinion polls<sup>25</sup> and a congressional vote not only supported President Bush in the war against Iraq, but also sanction imposition, as it is much easier to convince and mobilize democratic electorate to take action against a perceived dictator. Whilst it

is true that it might be easier for an electorate to vote for hostility towards North Korea than any other democratic leader, the American electorate dragged a reluctant President McKinley into the Spanish- American war despite the fact that both regimes were democracies.<sup>26</sup>

### **Democratic Sanctions**

Among the many sanctions episodes ever since 1972, 4 cases stand out as unequivocally between democratic states. These cases involve two pairs of democracies with countries such as (United States, New Zealand, India, Canada, United Kingdom, Australia and France) classified as liberal democracies. In each of these cases, and at the time of sanctions, all these countries received the status of “free” as according to the Freedom House Organization Democracy Classifications.

**Table 1: Sanctions between democracies**

<b>Sanctioned State</b>	<b>Sanctioning State/Coalition</b>	<b>Time Frame</b>	<b>Issue</b>	<b>Variables</b>
India	Canada	1974-76	1) Deter further nuclear explosives 2) Apply stricter nuclear safeguards	Interests, domestic values and priorities among citizens
France	Australia	1983-86 1995-96	Resumption of Nuclear Testing	1) High levels of trade 2) Interests, domestic values and priorities among citizens
New Zealand	France	1986	Repatriation of French Agents	Interests, domestic values and priorities among citizens
India	United States	1998-2001	1) Retaliate for Nuclear test 2) Constrain Nuclear Programme	Economic Strength

Source: Author

Variable 1 -- Interest, domestic values and priorities among citizens;

Variable 2 -- High levels of trade;

Variable 3 -- Economic strength.

*India-Canada 1974:* According to the Canadian government, India-Canada bilateral relations are longstanding with mutual commitment to democracy, pluralism and people-to-people links.<sup>27</sup> On the 18<sup>th</sup> of May 1974, India carried out an operation of a first nuclear test explosion. The Smiling Buddha, formerly designated as Pohkran-I, was the code name of the operation. The development and execution of this operation is alleged to have been possible through the help of the Canadian nuclear reactors and expertise as the CIRUS (Canada India Research US) reactor used to produce the plutonium was a research reactor based on National Research Experimental (NRX) designed and donated by Canada in 1960 with heavy water supplied by US. However, the Smiling Buddha nuclear test caused a civic outcry in Canada and the Canadian government cut off exchange of nuclear materials and technology with India in the wake of the of the test. Since India had pledged to use to use the CIRUS reactor only for peaceful purposes, the two states agreement prohibited the use of plutonium produced in the reactor for non-peaceful means. Despite these restrictions, the CIRUS reactor provided the plutonium for India's 1974 "peaceful nuclear explosions".<sup>28</sup> Consequently Canada ended all nuclear cooperation with India including Canadian fuel shipments. Between these democracies, there was a clash of interests and domestic values. Whilst India viewed the nuclear tests as significant, the Canadian domestic policy (guided by its citizens) preferred to only engage in nuclear cooperation only with countries which signed the Non-Proliferation Treaty (NPT) and Comprehensive Test Ban Treaty (CTBT) which instituted a full scope of safeguards on their nuclear programmes under the supervision of the IAEA. Even though both states are democratic, in this instance, the differences in areas of interest consequently led them into dispute hence the use of sanctions. Furthermore, it is clear that interests of the Canadian citizens/electorate were not in favor of the nuclear test explosion.

*France-Australia 1995:* Although the French sanctions were not directly imposed by the Australian government, they still reflect how two states with citizens that both fundamentally believe in democracy would still engage in conflict and consequently use coercive diplomacy to resolve their differences. When France announced resumption in nuclear testing in the South

Pacific, there were widespread boycotts of French products and services in Australia. Basically, the Australian government extended diplomatic sanctions. Nonetheless, all sectors of Australia, especially the non-state actors and the ordinary people staged anti- French protests and sanctions. The 1995 bombing of the French Consulate in Perth, Western Australia is suspected to have been a protest against nuclear testing. Trade relations between these two states diminished as many Australians resented French products and services.<sup>29</sup> This reflects how Australian citizens took it upon themselves to deal with objectionable policies perpetrated by another democratic state. The Australians took advantage of the high levels of trade the two states enjoyed to coerce a change in behavior on the part of the French government. When the French government realized that the drop in trade levels was slowly hurting their economy they succumbed and stopped the testing programme after 6 tests rather than the original 8 tests. Consequently, they announced the closure of their South Pacific testing sites forever and would eventually sign the Comprehensive Test Ban Treaty. If these two states were not enjoying high levels of trade, then Australia would have no leverage to win the case.

*New Zealand-France 1986:* On 10 July 1985, the French Intelligence Services, the *Direction Generale de le Securite Exterieur* (DGSE), under an operation code named *Operation Satanique*, blew up the Greenpeace ship *Rainbow Warrior* in the port of Auckland harbor, New Zealand, in the process killing a photographer. This was meant to prevent the ship from interfering with a nuclear test in Moruroa. Investigations revealed two intelligence French officials Alain Mafart-were and Dominique Prieur who posed as husband and wife were responsible for this incident. France threatened an embargo on New Zealand's exports to the European Economic Commission (EEC) if the pair was not released. However, this would have crippled the New Zealand economy which was dependent on agricultural exports to Britain. The French government under the leadership of Prime Minister Laurent Fabius argued that these two agencies were under orders and were not criminals. The French government reacted by imposing a series of administrative blockages on the importation of agricultural products from New Zealand and threatened to block New Zealand butter from the entire European market.<sup>30</sup> Given that a fifth of New Zealand's overseas trade was with Europe, the Lange government eventually gave in. In June 1986, the then united secretary General Javier Perez acted as an arbiter of the dispute. In the end, France agreed to pay NZ\$ 13 (\$US 6.5 million) to New Zealand and offered an apology in exchange for which

the two agents would be released from New Zealand and detained in a French military base on Hao atoll for 3 years. However, they were released before the end of the 3 years. Despite both countries being democracies and undoubtedly sharing the same values and norms that would favor peace, France went on to sanction New Zealand. The two states' domestic values and priorities on the issue of nuclear power differed sharply. In 1959, responding to public concern following the British H-Bomb tests in Australia and the Pacific, New Zealand voted in the UN to condemn nuclear testing whilst France voted against the formation of the Campaign for Nuclear Disarmament (CND). While New Zealand meets its responsibilities in maintaining global peace, its pacifist based anti-nuclear stance reflects the mainstream ideology held by the majority of its residents.<sup>31</sup> Opinion polls carried out in 1984 showed that 66% of New Zealanders lived in locally declared nuclear free zones, with a clear majority of over 58% opposing visits by US warships.<sup>32</sup> On the other hand, France was busy carrying out nuclear tests at Mururoa and Fangataufa atolls which accordingly was and is still favored by its domestic policies. Relations between these two states are slowly warming up.

*India-United States 1998-2001:* Whilst both countries share fundamental beliefs in democracy, rule of law and freedom, this did not deter US sanctioning India in retaliation of a nuclear test as well as constraining India's nuclear programme. In May 1998, India conducted tests of nuclear explosive devices, triggering sweeping US economic sanctions as required by the Arms Export Control Act and the Export-Import Bank Act.<sup>33</sup> As two of the world's largest democracies, India and the US are devoted to ensuring political freedoms and civil liberties as reflected by their representative governments. Under the terms of the 1994 Nuclear Proliferation Prevention Act, in 1998 after the India's nuclear tests the US President George Bush imposed sanctions. The US policy opposed nuclear cooperation with India because the country had developed nuclear weapons in contravention of international conventions and never signed the Nuclear Non-Proliferation Treaty. The nature of sanctions leveled against India was both trade and economic sanctions. Financial institutions were prohibited from lending any money to the Indian government. Direct aid was suspended in the sum of approximately \$142.3 million a year, excluding \$91 million for humanitarian and food aid.<sup>34</sup> Weapon sales to India, including technology that could be used to design and construct weapons, were prohibited. The sanctions also prohibited the export of "specific goods and technology" subject to export licensing. It is

clear that the US used the amount of trade levels with India as a force to influence the Indian foreign policy. Furthermore, the US is far more economically strong compared to India hence sanctioning India, though hurtful on the US economy had a larger ripple effect on India. Nevertheless, the fact that by 1999, most of the sanctions leveled against India had been removed or eased reflects how much the US economy depends on India. The sanctions were lifted incrementally giving preference to the most important sectors of the US economy that were suffering as a result of the sanctions. The passing of the Agricultural Export Relief Act, later signed into law by President Clinton, was meant to free US wheat farmers to participate in summer auctions. Additionally, the India-Pakistan Relief Act of 1998<sup>35</sup> authorized the President to waive, for a period of one year, the application of sanctions relating to US foreign assistance, US government non military transactions, the US position on loans or assistance by international financial institutions, the US commercial bank transactions.<sup>36</sup> However, the US still took advantage of the fact that, it is a big economy. To a lesser extent, the sanctions were triggered by a clash of interests as the US perceived the nuclear tests a threat to their own security.

## **Conclusion**

The “democracies do not fight each other” doctrine is a fallacy especially when the definition of conflict is restricted to war. Defining the word conflict is a colossal task. A critical and comprehensive definition of the word “conflict” is necessary to ensure a fair analysis of the democratic peace theory and its attributes. Such a definition should include economic coercion in all its forms. Against a background that economic sanctions remain a favored and predominant policy instrument of statecraft it is important to explore how sanctions are being used by democratic states among themselves to achieve peace. Since there are many indices devised to measure the levels of democracy, defining democracy is not such a mammoth task.

Whilst it may be true that most wars and conflicts have been fought among non-democracies or between democracies and non-democracies, it is a misrepresentation of fact to allude that democracies do not engage in conflict. Democracies, like any other regime type engage in conflict and as shown by this research are the most users of sanctions. Significantly, again, as revealed by this article democracies fight each other for so many reasons as identified by this paper. The high degree of dependence facilitates the higher levels of vulnerability hence sanctions end one strategy to resolve. The reasons behind this phenomenon (fighting each other)

are still not well understood mainly because the definitions of conflict are in most cases restricted. This article has referred to a couple of economic sanctions that democracies imposed on each other in a bid to answer questions like why, how and when do democracies sanction each other. The motive of this article is to desist from using the obvious, generalized and traditionally known reasons to explain this observable fact but to approach the questions from a unique and different dimension. Furthermore, the research has queried and improved these known and established facts in order to pave way for more debate and scholarly work. Despite the shared norms and common conflict resolution mechanisms, the idea of democracies fighting each other emerged and has had a lucid effect and there is need to address the matter more seriously.

Furthermore, the increased global interlinkages and interconnectedness amongst all the nations of the world is further exacerbating points of disagreements and diversion. These points of divergence have not spared democracies in the world of conflict. Recently problems of terrorism, drug trafficking, money laundering, internet theft and others continue posing challenges to interstate relations hence the need to impose economic sanctions as a means of restraining objectionable policies perpetrated by the targeted states. Indispensably, these targeted states are also taking the form of democratic regimes.

## NOTES

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<sup>2</sup> Doyle (1983b) : *Kant , Liberal Legacies and Foreign Affairs: Part 2*: Philosophy and Public Affairs 12: 324-325

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<sup>5</sup> See Most and Starr 1984; Palmer Wohlander and Morgan, 2002.

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<sup>6</sup> Chingono Heather (2010) : *Zimbabwe Sanctions: An Analysis of the “Lingo” guiding the Perceptions of the Sanctioners and the Sanctionees*; Forthcoming in *Journal of African Politics and International Relations*

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<sup>8</sup> Thucydides: *History of the Peloponnesian War*: New York: Penguin Books :1972 pp 118-123

<sup>9</sup> Prediction probabilities generated using Tomz, Wittenberg and King’s (2003) Clarify software in Stata (2004: See also King, Tomz and Wittenberg (2000). The predicted probability that a democracy will use sanctions is 0.22%, it is only 0.009% for a non-democracy (Drury and Cox: 2008 )

<sup>10</sup> Barbieri Katherine (1996): *Economic Interdependence :A Path to Peace or a Source of Conflict?:* *Journal of Peace Research* 33 (1) p 29-50

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<sup>12</sup> Shanghai WTO Affairs Consultation Centre: 9 November 2009

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<sup>13</sup> *US-European Union Trade Relations: Issues and Policy Challenges*: Library of Congress: Congressional Research Services: May 2006 <https://www.policyarchive.org/handle/10207/771>

<sup>14</sup> Yang Pei Kang (2008): *Some thoughts on a Feasible Operation of Monetary Compensation as an Alternative to Current Remedies in The WTO Dispute Settlement*: *Asian Journal of WTO and International Health Law and Policy* : September Volume 3 Number 2: pp 423-464

<sup>15</sup> Hufbauer Clyde Gary, Schott Jeffrey J and Elliot Ann Kimberly(2006): *Economic Sanctions Reconsidered*: Washington, DC, Institute for International Economics: p20-32

<sup>16</sup> Nossal Kim Richard (1994): *Rain Dancing: Sanctions in Canadian and Australian Foreign Policy*; University of Toronto Press; Toronto

<sup>17</sup> James Patrick and Glenn E Mitchell (1995): *Targets of Covert Pressure :The Hidden Victims of the Democratic Peace*: *International Interactions* 21(1): p 85-107

<sup>18</sup> Forsythe David (1992): *Democracy, War and Covert Action* :*Journal of Peace Research* :29(4) November p 385-95

<sup>19</sup> The research only analyzes sanction episodes from the period 1972 onwards because their regime status can easily be verified using the Freedom House Democracy Index which started its operations in 1972 as well. The democracy levels are as at the time the sanctions occurred to avoid bias and confusion.

<sup>20</sup> Maoz Zeev and Bruce Russett (1993) :*Normative and Structural Causes of the Democratic Peace 1946-1986*: *American Political Science Review* 87(3) p 624

<sup>21</sup> [www.freedomhouse.org](http://www.freedomhouse.org)

<sup>22</sup> Dixon William (1994): *Democracy and the Peaceful Settlement of International Conflicts* : *American Political Science Review* 88(1) p14-32

<sup>23</sup> Ibid p2 and 3



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<sup>24</sup> Nye Joseph S, Jr (2005 ): *Understanding International Conflict :An Introduction to Theory and History* : Pearson Education p 48

<sup>25</sup> In April 2003, a poll conducted by Washington Post and ABC News showed that 72% of Americans were in support of the Iraq War despite finding evidence of biological or chemical weapons. A US Today/Gallup Poll taken prior to the invasion in March 2003 indicated that 75% of US citizens thought the Iraq was justified and it was not a mistake. However, according to the same poll retaken in April 2007, 58% of the participants stated that the initial attack was a mistake. [www.pollingreport.com Iraq polls](http://www.pollingreport.com/Iraq/polls).

<sup>26</sup> Ibid p48

<sup>27</sup> [http://en.wikipedia.org/wiki/Canada-India\\_relations](http://en.wikipedia.org/wiki/Canada-India_relations)

<sup>28</sup> [http://www.nti.org/e\\_research/profiles/India/Nuclear/2103\\_2603.html](http://www.nti.org/e_research/profiles/India/Nuclear/2103_2603.html)

<sup>29</sup> *The French Consulate destroyed in suspected nuclear protest* : Agence France-Presse 1995-06-17

<sup>30</sup> Nossal Richard Kim (1999) : *Liberal-Democratic Regimes, international sanctions and global regimes* in Raymo Vayrynen , ed, *Globalization and Governance* ( Lanham, MD Rowman and Littlefield) pp 129-49

<sup>31</sup> [http://en.wikipedia.org/wiki/New\\_Zealand's\\_nuclear-free\\_zone](http://en.wikipedia.org/wiki/New_Zealand's_nuclear-free_zone)

<sup>32</sup> [http://en.wikipedia.org/wiki/New\\_Zealand's\\_nuclear-free\\_zone](http://en.wikipedia.org/wiki/New_Zealand's_nuclear-free_zone)

<sup>33</sup> Section 102 of the Arms Export Control Act 9 (Public law 90-629; 22 U.S.C 2799aa-1), popularly referred to as the Glenn amendment and sec 2(b) (4) of the Export-Import Bank Act of 1945 (P.L.79-173;12 U.S.C. 635 (b) (4)

<sup>34</sup> Zimmerman James (1998) : *US Sanctions against India: Arms Export Control Act Impact on Exports*: Morrison and Foerster

<sup>35</sup> Title IX of the Agricultural Rural development , Food and Drug Administration and Related Agencies Appropriations Acts, 1999, incorporated into the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105-277;112 Statutory 2681)

<sup>36</sup> CRS Report for Congress: *India and Pakistan: Current US Economic Sanctions* :October 12, 2001