The Conditions for Sanctions Success:  
A Comparison of the Iranian and North Korean Cases

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Why were economic sanctions able to produce successful political outcomes in Iran but not in North Korea during 2006–2015? Experts have argued that sanctions are not really effective in changing a state’s objectionable policies or behavior. However, such conclusions should not be drawn without a close examination of the complex environment under which sanctions are imposed. This paper attempts to identify the conditions of sanctions success by comparing the economic sanctions imposed on Iran and North Korea. It begins with a critical assessment of extant evaluations of sanctions imposed on North Korea to abandon its nuclear weapons program. Next, it examines Iran sanctions to identify the factors that facilitated the resumption of nuclear talks in 2013 and led to a political agreement in 2015. Subsequently, this is compared with North Korea sanctions to explain why sanctions were more effective in Iran. Finally, the paper extrapolates the conditions for sanctions success that incorporate the political and economic characteristics of the states involved as well as the sanctions policy per se. The paper concludes with a discussion of the lessons learned.

Keywords: economic sanctions, North Korea, Iran, nuclear weapons program

Introduction

North Korea took the world by surprise when it conducted its fourth nuclear test on January 6, 2016, which was followed by a long-range rocket launch on February 7. This demonstrates that despite mounting international sanctions led by the UN Security Council to deter the North’s nuclear weapons development since 2006, the North Korean regime has no intention of abandoning its nuclear ambitions. Talks to suspend North Korea’s nuclear weapons program have not mustered enough momentum since December 2008, when the Six-Party Talks among the United States, South Korea, North Korea, China, Japan and Russia were last held. Circumstances have not permitted bilateral talks on the issue between North Korea and the United States or between the two Koreas beyond 2012, either. Rather, the United States imposed a new round of sanctions in response to the North’s alleged hacking of Sony Pictures Entertainment in December 2013. Although not directly triggered by North Korea’s
nuclear weapons program, the sanctions were used to ramp up pressure to limit its nuclear activities. For example, North Korea’s Reconnaissance General Bureau (RGB), Korea Mining Development Trading Corporation (KOMID), Korea Tangun Trading Corporation and 10 individuals were further slapped with sanctions in January 2015. The U.S. Treasury Secretary was also endowed with the right to impose targeted sanctions on the North Korean government and members of the Korean Worker’s Party (hereinafter, “the Party”) in consultation with the Secretary of State.1

Meanwhile, Iran’s “peaceful” nuclear facilities and activities have long been scrutinized and since 2006, the UN Security Council has imposed a series of economic sanctions on Iran to deter further development. Unlike North Korea, however, Iran and the P5+1, including the United States, France, the United Kingdom, China, Russia and Germany, resumed nuclear talks in November 2013, ending a 10-year hiatus in negotiations between the West and the Islamic Republic. After several extensions of the deadline due to disagreements over the terms of sanctions relief, inspections and snap-back provisions, the parties agreed to a Joint Comprehensive Plan of Action (JCPOA) on July 14, 2015. This produced a long-term, verifiable framework to block Iran’s potential uranium and plutonium paths to building a nuclear weapon that cannot be matched with any other alternative. Along with the UN sanctions, the United States and like-minded EU member states have imposed unilateral sanctions on Iran since 2010 and this has been much accredited for reviving the diplomatic track and delivering concrete results. This begs the question of why sanctions were able to produce successful political outcomes in Iran, but not in North Korea, during the period 2006–2015.

An overview of extant assessments of sanctions against North Korea, the majority of which focus on UN Security Council sanctions imposed in the 2000s, offers a gloomy outlook for resolving the North’s nuclear weapons problem.2 Economically, the policy impact varies depending on the specific sanctions tool analyzed. For instance, while some experts claim that North Korean imports of luxury goods have rather increased since sanctions were imposed,3 others hold that the arms ban has significantly hampered the North’s export of weaponry.4 Politically, however, it is argued in unison that sanctions are ineffective in coercing the Kim Jong Un regime to abandon its nuclear weapons program. Although this seems to agree with the perception that economic sanctions rarely deliver desirable political outcomes,5 even pundits go so far as to blame sanctions for not resolving the nuclear North Korea problem as a whole. This is quite inappropriate. Getting North Korea to the negotiating table to discuss its nuclear weapons program in a sustainable manner should be one of the immediate goals of sanctions, and even this should be broken down into smaller, mid- to long-term policy goals. Besides, overshadowed by the lack of lasting political results, assessments of North Korea sanctions often fail to give enough credit for what has worked in different phases of the nuclear negotiation process. Sanctions are a tactical foreign policy tool that are effective when embedded in a consistent strategy to achieve one’s goals rather than when it acts alone. That said, criticism ought be directed at the lack of coercive strategies rather than the sanctions per se. Meanwhile, scholars have thus far produced more nuanced research with enhanced theoretical frameworks and refined data. Newer works focus their inquiry on nuclear proliferation so as to minimize the problem of competing objectives that affects the bulk of comprehensive sanctions research.6 A recent study argues that