

THE EFFECTIVENESS OF INTERNATIONAL ECONOMIC BLOCKADES

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This article deals with the external characteristics of international economic blockades based on exogenous elements that cannot be easily controlled by the blockading countries and the targeted country. This is due to its relationship with other countries' interests that can strengthen or weaken the success of the economic blockade.

Those characteristics are divided as follows:

- 1- Volume and structure of the country's external trade and its geographical orientations.
- 2- The extent of international cooperation towards the imposition of the blockade.
- 3- The extent of control of international transports.
- 4- The nature of international policy coordination.

1. Volume and structure of the country's external trade and its geographical orientations

The volume of the external trade of a country means the total real value of its imports and the real value of its exports. If the percentage of external trade of the targeted country is added to its gross national product (GNP), the degree of its influence by external trade will also be increased. The degree of economic openness is used to measure to what extent a country is influenced by the external world from the economic and commercial points of view³. The degree of openness is calculated according to the following equation:

$$\text{Index of economic openness} = \frac{(\text{Exports} + \text{Imports})}{\text{Gross national product}} \%$$

If the economic openness of a certain country is increased, its dependence on external trade for its growth increases as well. Consequently the imposition of a commercial blockade will have a significant negative influence on its economy and therefore, the

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economic blockade will be effective in achieving its goals. The contrary will occur if the index of economic openness of the targeted country is decreased.

The structure of external trade means the different types of goods stipulated in the list of imports and the list of exports of a certain state. In this regard, specialization in the production and the export of a small number of commodities enjoy a comparative advantage. This, together with the import of the majority of a country's needs from other countries, exposes its economy to enormous shakes. Also, it is expected that the diversification of products will contribute to limiting the extreme dependency on external commercial openness and hence achieve stability and prevent problems resulting from specialization.

To measure the degree of specialization of exported goods, economic analysts make use of the index of specialization that equals:

(The exports of the two main goods/ The exports) %⁴

If the index of specialization of exported goods is excessively high – as is the case in the petroleum states that depend on one commodity for export – the effectiveness of the blockade will be higher⁵. For example, the commercial blockade imposed on Libya as a result of Lockerby incident was effective because of its high degree of specialization of exported goods.

Finally, “geographical orientation in external trade” means the orientation of foreign trade of a specific country towards particular countries. In this case, if the degree of specialization of exports of the targeted country is increased towards a small number of countries, the targeted country will be more influenced by the political and economic decisions made by the importing countries. This is measured by the index of geographical specialization of exports:

(Exports to the two main partners / Total exports) %⁶.

To summarize, an increase in the degree of economic openness, an increase in the degree of specialization of exported goods, and an increase in the degree of geographical specialization, all increase the commercial dependency of a country⁷.

⁴ Abdel Rahman Yusry Ahmed: *International Economics*, Economic Section, Faculty of Commerce, University of Alexandria, 1997, p.143.

⁵ Michael P. Todaro, *Economic Development in the Third World*, London, Fourth edition, 1989, pp.41-43.

⁶ Mohamed Abel Aziz Agamiya et al., *Economic and social development and its problems*, Op. Cit..

⁷ Michale P. Todaro. Op. Cit., p.43.

2. Existence of international cooperation towards the imposition of the economic blockade

The imposition of an economic blockade on a certain country does not imply the existence of any kind of complementarities in areas of free trade, customs union, common markets or economic union between the blockading countries. Rather, it means the existence of a coalition between a number of countries to impose an international economic blockade on a certain country, as they share a common interest in enforcing that blockade. In this case, the imposition of the blockade takes one of the following two forms:

- 1 Cooperation of a group of countries in enforcing the blockade on the targeted country.
- 2- Imposition of the blockade with the cooperation of an international organization in order to legitimize the blockade.

This cooperation will reinforce the effectiveness of the economic blockade. Also, the cooperation of a group of countries in enforcing that blockade is surely due to some common interest among them.

To analyze the characteristics that determine the motivations behind the cooperation of some countries in enforcing an economic blockade, we refer to the study undertaken by the economist LISA L. MARTIN⁸, who set up a model to study these characteristics. For that purpose, she undertook the study of 101 cases in which an economic blockade has been enforced. She proposed the following hypotheses:

Hyp.1. A negative relationship exists between the degree of political and economic stability of the targeted country and the extent of cooperation among the blockading countries. As much as the country's political and economic stability is increased, as much as the expectation of the blockading countries towards the success of the blockade is decreased. As a result, a number of blockading countries are against the imposition of such a blockade.

L. MARTIN used a dummy variable to express the extent of political and economic stability. For that purpose, she used the variable "TARGET" and established for it values ranging from (1) to (3). The value (1) means that the targeted country broadly suffers from political and economic instability, i.e. Uganda during the reign of Idi Amin. The value (2) means the existence of some economic and political problems inside the targeted country. The value (3) means that the economy of the targeted country is reasonably stable, e.g. the Soviet Union in 1979 when it occupied Afghanistan.

Hyp. 2. A positive relationship exists between any possible international assistance received by the targeted country and the extent of cooperation among the blockading countries. If the percentage of the international assistance received by the

⁸ Lisa L.MARTIN, *Coercive Cooperation: Explaining multilateral economic sanctions*, pp.47-69.

targeted country is increased, it is easier for the external world to influence that country. L. MARTIN labeled that variation “ASSIST” with two options: (1) if the targeted country receives international assistance, and (0) if the targeted country does not receive international assistance.

Hyp. 3. A direct relationship exists between the cost that will be assumed by the blockading countries and the extent of their cooperation with other countries in imposing the blockade. If this cost is increased, they will be encouraged to cooperate in imposing the blockade in order to minimize this cost. This cost will be shared by all blockading countries instead of being assumed by only one of them.

L. MARTIN used the variable “COST” to represent that variation, which can take values (1) through (3). The value (1) means that the country enforcing the blockade will obtain net revenue from imposing it unilaterally, e.g. when the USA enforced an economic blockade on Latin America during the 70s because of human rights. (2) means that the imposition of the blockade will have a weak influence on the blockaded country, e.g. the economic blockade enforced by the USA on Iraq (1980-1982), as the American government was opposed to terrorism in force in that country. (3) means that the blockading countries will assume a huge cost when enforcing the blockade.

Hyp. 4. A direct relationship exists between the imposition of the blockade by an international organization (e.g. the United Nations), and the level of cooperation in enforcing the blockade. The intervention of such an organization will incite the blockading countries to impose that blockade and expect its success and the growth of its efficiency. L. MARTIN gave to that variation the name “INST” with two options: (1) if an official international organization (e.g. the UN) enforces the blockade, and (0) if not.

Hyp. 5. A direct relationship exists between the objectives of the blockading countries when imposing the blockade and the level of their cooperation. These objectives are of five types. L. MARTIN gave them the symbol GOAL, as follows:

- First goal: Induce changes in the policies of the targeted country.
- Second goal: Destabilize the targeted country.
- Third goal: Reduce the current defensive capabilities of the targeted country.
- Fourth goal: Reduce the future defensive capabilities of the targeted country.
- Fifth goal: Induce changes in the remaining policies of the targeted country which are not stipulated in the previous four goals.

L. MARTIN gave a (0) to the blockading countries if their objective in imposing the blockade falls within the framework of the first goal, and (1) if their objective falls within any of the other four goals.

L. MARTIN tested the influence of those variables according to the magnitude of economic cooperation among the blockading countries. It has been proved that only two variables fundamentally influence the existence of cooperation between the blockading countries: the level of political and economic stability and the imposition by international organizations of the blockade⁹. All hypotheses were verified in this respect. As far as the other variables are concerned, they do not significantly influence cooperation among the blockading countries¹⁰.

However, some analysts are of the opinion that the international economic blockade, enforced in a collective way, is insufficient for the following reasons:

- 1- The non-participation of other countries in efficiently enforcing the blockade; for instance, the Arab boycott on Israel in 1950s. This was not effective as a result of the lack of its multilateral imposition.
- 2- The economic expenses, and sometimes the political expenses, in enforcing the economic blockade might be enormous for some countries that have important commercial exchanges with the targeted country; e.g., when many countries were opposed to the oil embargo against Iraq after 1991¹¹.

Generally speaking, apart from the expectation of the blockading countries that other countries will cooperate in enforcing the blockade, the blockading countries will take the decision to blockade by using force, as they expect that the economic blockade will help achieve the desired goals.

3. Extent of control of the international transports

The blockade is made easier when the blockading countries enjoy a relatively high degree of military power and economic capabilities; possession of a large commercial and military fleet that will allow them to efficiently control the blockade by closing all ports and airports of the targeted country.

Therefore, the efficiency of the international blockade and its capacity to achieve the desired goals is subject to the power and capabilities of the blockading countries, and of cooperating countries. However, trade fleets could, during the international blockade, refuse to offer their services to the blockading countries or ask an excessive price for the freight. As a result, numerous countries are kin to possess a trade fleet in order to avoid being subjected to any pressure or concessions in such circumstances. Hence, if the volume of the targeted countries' national trade fleet is sufficient, the magnitude of its dependency on other countries will diminish.

⁹ These results are based on ordinary least squares estimation, with a 95% confidence interval.

¹⁰ Ibid.

¹¹ Mohamed Abdel Wahab El Saket, Op. Cit., p.238.

However, in practice, maritime transportation is among the international industries that are dominated by a number of states or giant maritime companies which are in possession of the greatest part of the international trade fleet. These companies assume the transportation of a large share of international trade. In time of crisis, those countries depend on their national commercial fleets to achieve food security and transportation of their goods outside the country and imported goods into the country¹².

The Arab maritime blockade enforced on Israel in 1950s is the most outstanding example that clearly indicates to what extent power is necessary to control international transportation in order to render the international blockade more efficient. Arab countries could not, because of their modest maritime power, enforce an efficient maritime blockade on Israel after the launching of war in Palestine on the 15th of May 1948.

We can deduce from the above mentioned examples that:

- 1- The efficiency of the international economic blockade is determined according to the power and capabilities of the blockading countries in controlling the international transports with the objective of tightening the blockade on the targeted country.
- 2- If the targeted country is in possession of a huge trade fleet, or if this country enjoys economic cooperation with other countries that could offer their fleet to transport its goods, this kind of cooperation contributes to diminishing the efficiency of the blockade.

4- The nature of international political cooperation

The international economic blockade constitutes a political vehicle within the foreign policy of the states¹³. Economic instruments were key foreign political policy tools after the Second World War. The two superpowers: the USA and the Soviet Union made their utmost effort to gather the greatest number of countries for the purpose of setting up ideological blocs. Economic devices were their principal means to gather the support of the European countries that were economically collapsed and countries that had acceded gradually to their independence during the period following the Second World War¹⁴.

Despite the appearance of nuclear power and its gradual evolution within the two superpowers, they refrained from using it for several reasons. That was in itself a reason for them to resort to the economic tools to impose their hegemony on many countries. The USA was a forerunner in that field. As a matter of fact, the USA took the initiative of

¹² Said Ben Sa'ad Martan, *Maritime Transportation: The absent sector in the Arab development strategies*, Magazine of the Faculty of Commerce for scientific researches, Faculty of Commerce, University of Alexandria, Second edition, September 1991, pp.386-387.

¹³ Peter A.G. Van Bergeijk, Success and Failure of economic Sanctions, *Kyklos*, Vol.42, 1989, p.385.

¹⁴ Leila Amin Morsy, Unpublished lectures on international relations, Faculty of Commerce, University of Alexandria, 1989.

using the arm of economic pressure in a desperate attempt to change the political attitude in the East European region, and to prohibit its countries from linking up with Soviet power. For example, the USA offered its assistance to Poland in 1946 and stated as a condition free elections to be held by the Polish government. Also, in 1946, the USA broke off its economic assistance to Czechoslovakia when this country intentionally and continuously voted in favor of the Soviets and against the West. Likewise, the USA had recourse to economic pressure on Hungary when this country was threatened to fall under the communist grasp.

Moreover, the USA broke off its economic links with all countries converted to communism to pressure them into changing their behavior. China fell under the American economic boycott since it switched to communism, as did Cuba, Indonesia, and Sri Lanka.

The USA was not content with suspending economic assistance to those countries and instituting a policy of containment of the communist expansion. It exerted pressure by imposing sanctions on trade exchanges with those countries. The USA was not content breaking off economic aid to communist countries, but went further by awakening their power when, in 1947, it launched the Marshall Plan for the revival of Europe. That was a reaction to the hard economic conditions witnessed by Europe after the War. It was, as well, a final goal to reconstruct the economic capabilities of Europe, the main ally of the USA in confronting the Soviet Union.

The USA stated as a condition that friendly European countries, which received economic aid in conformity with the Marshall Plan, should repeal all their trade links with the countries of the communist states of Eastern Europe, otherwise they would be subject to a suspension of US aid.

Yugoslavia was the only communist country that received US aid during the cold war, but only after when it broke off its relationship with the Soviet Union in 1948. The objective behind this aid was to deepen the gap of conflict between the two countries, and probably lead to some negative repercussions against the Soviet political and strategic interests within the group of Soviet run East European countries and inside the international communist movement in general.

The Soviet Union also used economic intimidation. The Soviet Union broke off all relations with Yugoslavia and intentionally diminished the volume of its trade links with the Popular Republic of China after their political and ideological conflict emerged, a conflict that the Soviet Union interpreted as a challenge to its leadership inside the Eastern Bloc. On the other hand, the Soviet Union had recourse to the economic tool to achieve a high level of economic complementarity with its allies in Eastern Europe¹⁵.

Current transformations in the New International Order (fall of USSR?) led the USA to enforce its hegemony on different countries. Hence, the USA and the main Western states have the power to take decisions towards numerous problems related to their relations

¹⁵ Ibid.

with other countries. They started using their power in case of any crisis arising with other countries through economic pressure so that these countries abide by the conditions of those powerful states.

SUMMARY

According to this article, we can point out that the effectiveness of the international economic blockade imposed on the economy of the targeted country will diminish as long as:

- 1- The magnitude of its economic openness is low together with a low index of specialization of the exported goods, and a low index of its geographical specialization.
- 2- The extent of blockading countries' cooperation in enforcing the blockade is limited.
- 3- The blockading countries do not have sufficient control of international transports.
- 4- The hegemony of the unilateral power system is diluted.

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