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TO PROMOTE RELIGIOUS LIBERTY, CUT AID, NOT TRADE

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INTRODUCTION

The United States began as a haven of religious freedom. Because Americans cherish their right to worship freely, they are justifiably outraged when foreign governments persecute believers for their faith. They want to help persecuted people in other countries secure the "right to freedom of thought, conscience, and religion" guaranteed by Article 18 of the Universal Declaration of Human Rights. To advance this noble goal, Senator Arlen Specter (R–PA) and Representative Frank Wolf (R–VA) have introduced the Freedom from Religious Persecution Act, under which various economic and noneconomic sanctions would be employed to persuade other countries to end religious persecution.

The issue raised by this legislation is not one of goals. Few would question the goal of trying to end religious persecution abroad. Rather, the issue is one of means—to devise a U.S. foreign policy that not only is most effective in combating religious persecution, but also does not impose trade sanctions that harm Americans more than offending foreign governments.

It is the means chosen by the sponsors of the Specter–Wolf bill that raise concerns. The sponsors claim to want a bill that is targeted narrowly on punishing foreign government entities that persecute people for their religious beliefs. As Representative Wolf has said, "This is not a trade bill." No doubt this is Representative Wolf's intention, but the fact remains that the bill's vaguely drafted language and broadly drawn economic sanctions provisions could lead to unintentional results that would be quite harmful to Americans. Unless the economic sanctions provisions are more narrowly drawn, the Specter–Wolf bill, as currently drafted, could undermine U.S. security, harm the U.S. economy, and needlessly constrain the economic freedom of Americans—and, in the process, be of little if any effect in advancing religious liberty abroad.

Instead of focusing so intensely on stopping U.S. exports and investments as way to punish foreign governments that persecute religious people, the Specter–Wolf bill should focus primarily on eliminating taxpayer subsidies to regimes that sponsor religious persecution. In short, the United States should cut foreign economic aid, not trade, to offending countries.

Stopping the export of handcuffs, electric cattle prods, and other devices that could be used to persecute people is perfectly acceptable, but it makes little sense to cut off large parts of the trade in trucks, computers, and engineering services with China, Indonesia, and other countries that simply could trade with someone else. Non-security-related trade can have a liberalizing effect on these societies, but threatening to cut economic aid, particularly from the International Monetary Fund (IMF) and the World Bank, would deny these regimes something they want very badly and in many cases cannot find anywhere else. Equally important, it would eliminate the inherent taxpayer subsidies for these regimes that foreign economic aid represents. It is morally offensive to Americans to ask them to subsidize foreign regimes that abuse their people. Although military assistance should be exempted for countries with which the United States has important security relations—a potential religious persecutor, Saudi Arabia, for example, is needed as an ally to contain the far more dangerous and abusive regimes of Iran and Iraq—economic development aid can be eliminated without seriously jeopardizing U.S. security relations with allies and friends.

THE RELIGIOUS PERSECUTION ACT: ISSUES OF CONCERN

Using such economic sanctions as export, import, or investment restrictions is a questionable tactic. Historically, economic sanctions have not been very successful in persuading target countries to change objectionable policies. Indeed, they failed in over 66 percent of the cases in which were applied worldwide between 1914 and 1990.[1] To succeed, economic sanctions require widespread cooperation from a large number of countries over a long period of time, as happened in the case of South Africa. Unilateral economic sanctions, by contrast, are virtually doomed to fail.

This historical experience should be kept in mind when evaluating the Specter–Wolf bill. Rather than build multilateral support for sanctioning countries engaged in religious persecution, the bill's sponsors overestimate the ability of the United States, acting alone, to pressure abusive countries to end persecution through unilateral economic sanctions. There are several reasons that this legislation would be both ineffective and harmful.

Problem #1: The language of the bill is too broad and could lead to disputes and confusion. The Specter–Wolf bill would establish a White House Office of Special Adviser on Religious Persecution. The director of this office would identify countries in which persecution occurs and divide them into two classifications: Category One, in which persecution occurs because of direct governmental action, and Category Two, in which the government is not directly involved with persecution. A variety of economic and noneconomic sanctions would be imposed unless the President invoked a national security waiver. The bill would ban exports of "persecution facilitating products, goods, and services," either by companies operating within U.S. territory and by American

1 See Robert P. O'Quinn, "A User's Guide to Economic Sanctions," Heritage Foundation *Backgrounder* No. 1126, June 25, 1997; see also Gary Clyde Hufbauer, Jeffrey J. Schott, and Kimberly Ann Elliott, *Economic Sanctions Reconsidered: History and Current Policy* (Washington, D.C.: Institute for International Economics, 1990), pp. 92–93.

companies operating overseas, to both Category One and Category Two countries. In addition, all exports to government agencies that are "responsible" for persecution would be banned, and all nonhumanitarian assistance to countries in either category would be terminated. Finally, all "responsible" officials would be banned from entering the United States.

The bill does not clearly define a "persecution facilitating product, good or service" or a "responsible entity." Consequently, it would lead ineluctably to interminable disputes in Washington, D.C., and overseas over who is "responsible" for religious persecution in a particular country and what constitutes a "persecution facilitating" good or service. Proponents of this legislation indicate that they want mainly to ban sales of handcuffs and electric cattle prods to foreign armies or police agencies that torture religious believers. According to Donald Hodel, president of the Christian Coalition, for example, "This sanction does not seek to alter trade or tariff policies, except in the area of narrowly defined 'persecution-enhancing goods and services' which are expressly banned from export."[2] The bill's vague language, however, would not prevent an activist director of the Office of Special Adviser on Religious Persecution from banning virtually any export to listed countries.

For example, if taxes collected by Saudi Arabia's Ministry of Finance or profits from Aramco (its state-owned petroleum company) were used in some way to finance the Saudi religious police who persecute Christians, the director could label both the Finance Ministry and Aramco as "responsible entities." As a result, U.S. goods or services that the Saudi government or its state-owned enterprises buy—from computers to trucks to engineering services—could be labeled "persecuting facilitating products." Thus, the director would be justifiable in prohibiting future exports of oil-drilling equipment to Aramco or sales of F–15 fighter jets to the Royal Saudi Air Force.

Problem #2: The bill could undermine U.S. national security interests by terminating military aid to important regional allies. The United States currently provides Turkey, a member of the North Atlantic Treaty Organization and an indispensable ally during the Persian Gulf War, with more than $28 million a year in both economic development and military assistance. Likewise, the United States supplies Indonesia, which helps the United States defend its interests in Asia, with more than $42 million a year in assistance. Both of these countries could be subject to military aid sanctions. Terminating military aid would disrupt relations with these important countries and make them far less likely to cooperate with the United States when U.S. security interests are threatened.

Problem #3: The bill could block important diplomatic meetings. The Freedom from Religious Persecution Act would prohibit the United States from granting visas to government officials who are deemed "responsible" for religious persecution. Although this would be desirable if limited clearly to persons directly responsible for the persecution, the director might be tempted to expand the definition of who is responsible for religious persecution to include heads of state, government ministers, and other senior officials who have some relationship to the agencies engaged in religious torture or other violent acts. Thus, the Specter–Wolf bill could prevent high-level government officials from

2 Testimony of Donald Hodel before Committee on International Relations, U.S. House of Representatives, September 10, 1997.

entering the United States to hold important diplomatic discussions on issues vitally important to Americans and the security of their country.

Problem #4: The use of waivers will weaken U.S. credibility abroad. No U.S. President is likely to agree to prohibit exports to government agencies and state-owned enterprises in such major emerging markets as China, Indonesia, or India, or to terminate arms sales to U.S. allies such as Saudi Arabia, as could happen under Specter–Wolf. In some cases, the Administration would downplay religious persecution in friendly countries to leave them off the list of sanctioned countries. In others, the President would issue national security waivers to avoid imposing unrealistic sanctions against U.S. allies and important U.S. export markets. If the President waived the Specter–Wolf sanctions against all but a handful of rogue states, such as Cuba, Iran, Libya, and North Korea, in which U.S. sanctions are already in place for national security reasons, then the legislation would become a hollow and meaningless gesture. By inducing the Administration to use waivers to avoid imposing unrealistic sanctions, the bill would create an appearance of hypocrisy as numerous exemptions are invoked, seriously weakening U.S. credibility abroad.

Problem #5: The bill could limit U.S. exports and lead to the loss of American jobs. Several of the "big emerging" countries that have been identified by the U.S. Department of Commerce as major growth markets for U.S. exports over the next decade—including China, India, Indonesia, and Turkey—are likely candidates for export sanctions under the Specter–Wolf proposal. Overall, the Commerce Department expects these "big emerging" countries to increase their imports by at least 75 percent from 1995 to 2000. But Specter–Wolf could exclude American companies from exporting their products and services to government entities in these growing markets.

HOW CONGRESS CAN IMPROVE THE SPECTER–WOLF BILL

Reducing religious persecution and promoting religious freedom are legitimate foreign policy objectives, but the Specter–Wolf bill in its current form is unlikely to advance these goals. The bill could be reworked, however, to eliminate its harmful provisions. Specifically, Congress should:

- **Concentrate the bill's sanctions on terminating economic development assistance.** When applying sanctions, the United States should choose the one that is most likely to achieve its stated purpose. Terminating U.S. taxpayer–subsidized economic development assistance is far more effective than prohibiting exports. In today's global economy, targeted countries can replace U.S. exports with goods and services from many suppliers in other countries both quickly and easily. Thus, a unilateral prohibition on U.S. exports would not reduce religious persecution. Because there are fewer alternative sources of foreign aid, the United States would have more leverage with foreign governments by threatening to end aid rather than by threatening to cut off trade.

  There is a moral difference between terminating aid and cutting off trade. When the federal government funds foreign assistance through compulsory taxes, it acts in the name of the people. Thus, such assistance morally implicates all Americans. But when a company exports goods or services, it represents a voluntary private transaction that morally implicates only the consciences of those involved. The federal government must have a very good reason to constrain this kind of trade—a reason grounded in the common security and prosperity of all Americans—because such actions ultimately are coercive acts by government against the freedoms of Americans.

Specifically, Congress should refuse to grant funding to any international development organization—including the IMF, World Bank, and United Nations Development Program (UNDP)—that continues to extend assistance to countries classified as persecuting believers. Moreover, Congress should cut off bilateral economic assistance administered by the U.S. Agency for International Development if that aid goes to countries on the persecution lists. Finally, if the President is serious about protecting religious believers from persecution, he should instruct U.S. representatives to the IMF, World Bank, and UNDP to vote against any aid for these countries.

Military assistance should be exempted from the bill's aid termination provisions. The United States grants military aid to other countries to advance U.S. national security interests. Because defense is the federal government's first obligation, intended to protect the common good of all Americans, national security interests must take precedence over other foreign policy goals, including the promotion of religious freedom in other countries. In instances in which military assistance serves U.S. security interests, it should be exempted when development aid is targeted.

- **Narrow the definition of "responsible entities" to include only those agencies that actually carry out torture or other violent acts of religious persecution.** This change would mean that the United States would not prohibit American companies from exporting goods and services to other government agencies and state-owned enterprises not *directly* involved in religious persecution. Thus, American companies could continue trading relationships with government-controlled petroleum companies and public utilities around the world. Sanctions should apply only to the office or unit of a government agency that actually engages in torture or violent acts of religious persecution. They explicitly should not apply to heads of state, other agencies, or state-owned enterprises not participating in such abuses.
- **Limit the export prohibition provisions to selling crime control, detection, and surveillance devices.** The bill's sponsors insist that they want "persecution facilitating products, goods, and services" defined to cover only products actually used in torture or violence. Incorporating language to this effect would honor this intent, clear up any confusion, and ensure that future directors of the Office of Special Adviser on Religious Persecution would not prohibit auto exports to Indonesia, construction contracts in China, or sales of computers and oil-drilling equipment to Saudi Arabia.
- **Apply export prohibitions only to exports originating from U.S. territory, not to exports from American firms operating legally overseas.** Although the United States legally may impose trade and investment restrictions on companies operating within its territory, Congress should be very wary of imposing restrictions on American companies operating overseas as the Specter–Wolf bill proposes. Extraterritorial economic sanctions may be justified when such countries as Cuba, Iran, or Libya endanger U.S. national security. When

national security interests are not threatened, however, such sanctions may alienate U.S. allies and undermine the international trading system on which the prosperity of Americans now depends.

CONCLUSION

Senator Specter and Representative Wolf are pursuing a laudable objective. The United States can and should take a stand on reducing religious persecution in foreign lands. But history teaches Americans that good intentions are not enough in foreign policy. President Jimmy Carter tried to improve the observance of human rights abroad by punishing foreign governments for their transgressions without proper regard for the consequences of his policy on U.S. security and prosperity. President Carter may have had good intentions, but his well-meaning human rights policy produced disastrous results. His campaign against the Shah, for example, helped bring the Ayatollah Khomeini to power in Iran. And his criticism of the Somoza regime in Nicaragua was a major reason for the victory of the Sandinistas.

To avoid unintended catastrophes, foreign policy must be crafted with great care, and with an eye toward probable consequences. Results, not intentions, are the ultimate moral test of foreign policy. Congress and the President must look beyond good motives and implement an effective foreign policy that actually produces positive results. They should focus their campaign to reduce religious persecution abroad mainly on cutting ineffective economic aid programs, not trade or military assistance to friends and allies.