

International sanctions
between words and wars in the global system

edited by Peter Wallensteen and Carina Staibano.

INTERNATIONAL SANCTIONS

Targeted sanctions have become an established practice in international relations since the end of the Cold War. Such sanctions – directed at certain leaders or concerning particular commodities or services – have been used by both international organizations and individual states. This book examines this new instrument of international diplomacy, and analyses what such sanctions require in terms of capacity building by the UN and by member states to be effective. It furthermore investigates how the sanctions are used by new actors in international political affairs, notably the EU, African countries and the WTO. Finally, through a legal analysis and a study of individuals listed by the UN, the book highlights the new problems targeted sanctions give rise to, notably issues of human rights, and draws attention to the potential of incentives as part of an international sanctions strategy.

Contributors to this book include international scholars from social and legal sciences as well as practitioners from international organizations.

This timely book will appeal to advanced undergraduate and postgraduate students of peacekeeping and conflict resolution, national and international policy makers and professionals in NGOs.

Peter Wallensteen holds the Dag Hammarskjöld Chair in Peace and Conflict Research, Uppsala University, Sweden. He leads the Uppsala Conflict Data Program, which publishes annual data on armed conflict in the world, and coordinated the Stockholm Process on targeted sanctions. This process presented *Making Targeted Sanctions Effective: Guidelines for the Implementation of UN Policy Options* to the Security Council in February 2003.

Carina Staibano is Senior Research Assistant at the Department of Peace and Conflict Research, Uppsala University. She is working on international sanctions and United Nations system reform issues.

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Between words and wars in the global system

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Peter Wallensteen and
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INTRODUCTION

New challenges for international sanctions

The end of the Cold War removed the restraints on joint action for international peace and security that had been imposed by major power rivalry for more than four decades. From then on the United Nations (UN) was activated in ways that hitherto were politically inconceivable. This was also reflected in the practice of sanctions. This instrument of collective security was brought to use not only as a gesture or a recommendation but as a mandatory measure for all member states. During the decade and a half that has passed, the instrument has been gradually refined. The development of targeted sanctions is one aspect of this. This comes after unfortunate experiences with more comprehensive approaches. Also, it is noteworthy that other institutions have been engaged, and applied sanctions for new purposes.

This means that sanctions now are put to work in new situations. Obviously, issues of international peace and security figure prominently. There are, however, also other sanctions regimes. One of the novelties is the World Trade Organization (WTO) and its sanctions mechanism for upholding fair international trade practices. Indeed, WTO includes a prohibition against discriminatory trade measures that makes it difficult for other institutions (apart from the UN Security Council, whose mandatory decisions override all other commitments) and states to impose sanctions. For instance, the European Union has already earned a record for having sanctions for the protection and promotion of human rights and democracy, a new issue area for sanctions. However, EU sanctions have to be carried out within WTO rules. These concerns have also contributed to the development of sanctions measures in areas other than general trade. The targeting of resources of particular individuals in government and/or power positions are novel ways of making sure international legal frameworks are not disturbed. At the same time, those responsible for policy decisions are expected to reflect the impact of world opinion in concrete actions. This, furthermore, relates to matters of suspected war crimes. Individuals who are indicted or fear they might be indicted now refrain from travelling, as they might being brought to international courts. To be indicted or even suspected, thus, in effect could function as a form of travel restriction, a self-imposed sanction.¹

INTRODUCTION

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By now, the international community has gathered considerable experience in operating sanctions. In this volume the focus is on sanctions carried out by a collectivity of states in international global or regional frameworks, since the end of the Cold War. The interest is in targeted sanctions, their development, impact, requirement for effective action and new problems that may arise as part of the targeting of individuals. Targeted sanctions, some even call them 'smart' sanctions, provide new challenges to the international community.

This book is organized along the lines of four primary challenges. The first is to study if such sanctions are effective, compared to other sanctions, and whether their performance can be improved. Kimberly Ann Elliott (Chapter 1) writes, based on the data collected in a project at the Institute for International Economics, Washington, DC, on trends in government uses of sanctions, thus also including actions by the USA. Thomas J. Biersteker, Sue E. Eckert, Aaron Halegua and Peter Romaniuk (Chapter 2) look at the attempts to reform the sanctions regimes of the United Nations and what these actually have led to. This reform process has involved initiatives from countries such as Switzerland, Germany and Sweden. Finally, Carina Staibano (Chapter 3) studies trends in the UN application of sanctions with a focus on implementation measures. She argues that considerable improvement has been made, but on an ad hoc basis that now needs to be converted into sustained capacity.

Second, the effective use of targeted sanctions requires improved capacities within international organizations, member states and local societies. Simple comprehensive sanctions, isolating an entire country, are administratively easier to implement. The more sophisticated forms of sanctions that we are now witnessing demand new capacities, in order to be effective. Such needs are addressed in Part II of this volume. It is not only a matter of resources. It also calls for training in a new mindset and the development of new routines. The issue is concretized by David Cortright and George A. Lopez (Chapter 5) who examine the possibilities of sanctions coordinators at national and UN levels. Thomas J. Biersteker, Sue E. Eckert, Aaron Halegua and Peter Romaniuk (Chapter 4) study ways of developing the legal framework for national implementation. In an attempt to improve implementation Björn Hagelin (Chapter 6) discusses end-use certificates for arms transfers in order to enhance the impact of arms embargoes. This technique could have a potential also for other commodities.

A third challenge is the use of sanctions by new governmental actors. Noteworthy is the frequent uses by the European Union. Thus, contributions to this volume bring attention to EU procedures, decision making and experiences. Anthonius W. de Vries and Hadewych Hazelzet (Chapter 7) study the EU from a decision-making point of view, while Mikael Eriksson (Chapter 8) examines three different sanctions cases the EU has been engaged in. There are also other regional bodies and neighbouring countries that have undertaken sanctions. Lennart Wohlgemuth (Chapter 9) illustrates this through the example of Burundi. In some instances, international organizations are needed for the support of UN sanctions (e.g. in cases of financial freezes, aviation bans, etc.). There are also experiences

in sanctions by international organizations themselves, and David Cortright, Linda Gerber and George A. Lopez (Chapter 10) show the mechanisms that have been developed to deal with situations of member state non-compliance. Steve Charnovitz (Chapter 11) elaborates on the same theme by scrutinizing the World Trade Organization's mechanism for making member states fall in line with the demands of the organization.

Finally, targeted sanctions have met some challenges which have to do with the targeting itself. Such sanctions aim at hitting particular individuals and units. At this time (February 2004) there are 515 persons and 109 entities worldwide on UN sanctions lists (financial sanctions and/or travel bans). Since the establishment of the lists now in place, in 1998 for Sierra Leone, in 1999 for the Taliban, in 2001 for Liberia and the Al-Qaida and in May 2003 for Iraq, there has been a steady increase in the number of listed individuals and entities. However, the decision on Liberia (December 2003) meant a reduction in numbers. The European Union has similar experiences. Curtis A. Ward (Chapter 12) examines how a UN innovation, stemming from the counter-terrorism activities after September 11, 2001, has worked. Furthermore, there are important legal ramifications for the individuals listed. These measures require legal instruments and concerted international action, something that is dealt with by Iain Cameron (Chapter 13) in an innovative way. This theme is further expanded by Erica Cosgrove (Chapter 14) in her study of the psychological effects, building on interviews with targeted individuals. Finally, Peter Wallensteen (Chapter 15) explores the theoretical approach of positive sanctions and incentives in differentiating between various segments of a country.

This work has been made possible through a grant from the Swedish Ministry for Foreign Affairs. It constitutes part of the Stockholm Process on the Implementation of Targeted Sanctions that was set in motion in 2001. The Stockholm Report with practical ideas for improving sanctions was handed over to the Security Council in February 2003. The present volume contains more elaborate – academic as well as practical – conclusions on the function of targeted sanctions.

Peter Wallensteen
Carina Staibano
Uppsala, June 2004

Note

- 1 This point has been made by Dr Krystyn Sikkink of the University of Minnesota.

Part I

NEW SANCTIONS

Emerging patterns

TRENDS IN ECONOMIC SANCTIONS POLICY

Challenges to conventional wisdom

Kimberly Ann Elliott

According to the conventional wisdom, one consequence of the more complex, less ordered environment following the end of the Cold War was a proliferation of US economic sanctions in response to demands to “do something,” about ethnic conflict, human rights violations, drug trafficking, terrorism, or nuclear proliferation. In this conventional wisdom, US sanctions policy also became more unilateral, with Congress in the driver’s seat and ethnic and other special interests doing the navigating. Evidence collected for the third edition of *Economic Sanctions Reconsidered* suggests that the conventional wisdom, while not entirely wrong, misses some important nuances.¹

The frequency of US sanctions increased in the 1990s, but not as much as many people think, if a longer view is taken, and US sanctions have not been nearly as unilateral as in the past. Moreover, there was far more activity by the European Union than is generally recognized, often in cooperation with the United States but sometimes not. Also contrary to the conventional wisdom, Congress does not appear to have intervened more often than before, but the nature of that intervention has changed in important ways. Finally, the really big changes in sanctions policy have been in the United Nations (UN), not in the United States. The collapse of the Soviet Union freed the UN from its Cold War straitjacket and allowed it to intervene more aggressively in international affairs, including the imposition of mandatory economic sanctions ten times compared to just twice prior to 1990.

At the same time, the international economy has become increasingly integrated over the past two decades, with international trade and capital flows outpacing global output. This is a double-edged sword for economic sanctions, since interdependence increases potential vulnerability to disruption of these flows while also increasing the opportunities for evasion. These trends suggest that unilateral sanctions should become less effective, all else equal, and multilateral measures more effective. But the mechanisms for translating “economic pain into political gain” are still not well understood. The backlash against the humanitarian

consequences of the broad UN sanctions against Iraq and Haiti resulted in a search for “smart” or targeted sanctions that dominated UN discussions of the sanctions tool into the new century.

Proliferation of economic sanctions in context

Figure 1.1 gives a snapshot of foreign policy sanctions launched in the twentieth century. Our study does not cover normal commercial reprisals, and our coverage probably misses several cases between countries of the second and third rank. That said, we have recorded 193 episodes, starting with World War I and extending through the UN sanctions against the Taliban regime in Afghanistan in 1999.² Nearly 60 new instances of sanctions were recorded in the 1990s and, of these, 42 involved the United States, usually in cooperation with other countries.³ Contrary to conventional wisdom, less than a third of the cases involving the United States were unilateral initiatives. To be sure, several high profile cases launched in the 1990s (such as the sanctions against India and Pakistan over their nuclear weapons tests), as well as a few inherited from the past (notably Cuba, Libya, and Iran) were unilateral endeavors. But in episode-count terms, the United States was less a Lone Ranger in the 1990s than in the 1970s and 1980s. It is also notable that, while the number of new sanctions imposed nearly doubled in the 1990s compared to the 1980s, the increase is less dramatic when compared to the previous 1970s peak. Moreover, Figure 1.2 shows that the proliferation of cases slowed markedly after the first part of the decade.

Table 1.1 shows the changes in the distribution of sanctions users in the 1990s, as well as the changing geography of those most likely to be targeted with economic sanctions. It shows clearly the relative decline of the United States as a user of sanctions (though it remains at the top in absolute terms), as well as the sharply increased sanctions activity by the European Union, Russia, and the United Nations. It must be noted, however, that several of the UN sanctions are weakly enforced arms embargoes, designed to curtail civil strife and genocide, and most European sanctions involve relatively minor aid cutoffs.

The targets of choice have also changed in the 1990s, reflecting in various ways the end of the Cold War. The Soviet Union or its allies were targets of Western sanctions (mainly US-led) nine times in the 1970s and 1980s. In the 1990s, Western sanctions against the Former Soviet Union (FSU) sharply diminished, but the new FSU states were subject to six sanctions initiatives by Russia in attempts to induce more favorable economic or political terms from its newly independent neighbors (using our definition of a foreign policy sanction).⁴ The other striking changes are the decline in new cases targeting Latin American countries and the rise in new cases targeting African countries. In broad terms, this reflects the swing of Latin America to democratic governance and the rising incidence of civil strife, despotic leadership, and large-scale killing in Africa. This shift in locus – from the US backyard to the European backyard – appears to be one factor in the decline in unilateral US sanctions and the rise in European initiatives.

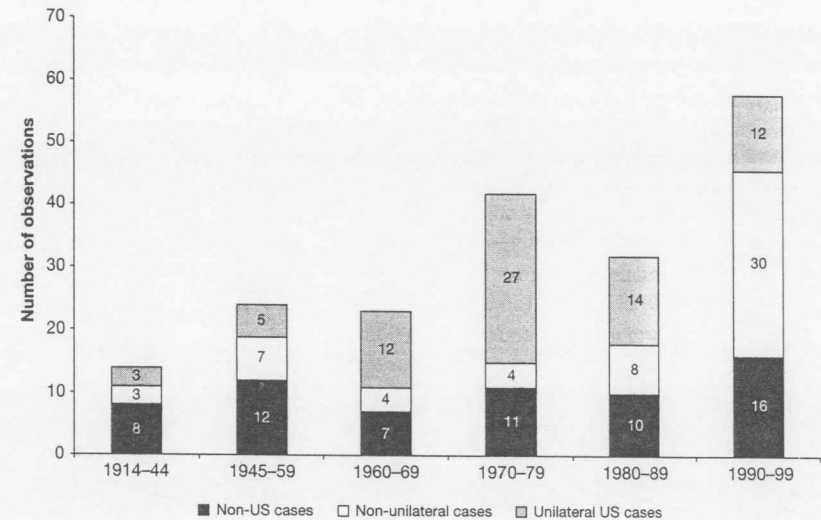


Figure 1.1 Trends in the use of economic sanctions

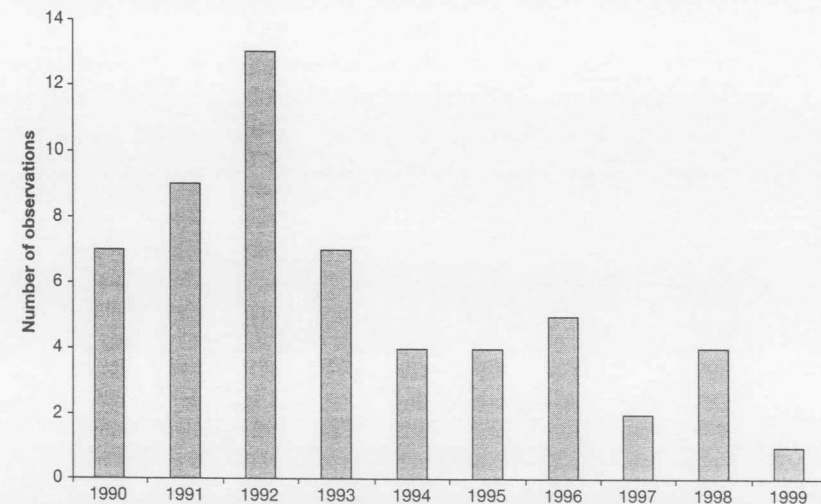


Figure 1.2 Sanctions trends in the 1990s

Table 1.1 Senders and targets in sanctions cases initiated 1970–99

	1970–89	1990–99
<i>Primary senders^a</i>		
United States	48	25
Western Europe	9	19
USSR/Russia	0	6
United Nations	0 ^b	11 ^c
<i>Targets by region</i>		
Africa	11	18
Asia	15	6
Western Europe	7	7
Latin America	18	9
Middle East	6	4
USSR/FSU ^d	9	8

Notes

- a These numbers are based on cases in which one or more sender country played a leadership role. They do not include senders that cooperated in a sanctions effort but without taking a leading role. UN cases are not included in the count of cases initiated by individual sender countries.
- b Two UN cases initiated in the 1960s were ongoing in this period: Rhodesia and South Africa.
- c This count includes the threat of UN sanctions against North Korea in the mid-1990s and the authorized but not mandatory actions against the Khmer Rouge faction in Cambodia.
- d FSU = Former Soviet Union; this category also includes Soviet bloc members.

Congress and the role of domestic politics in US sanctions policy⁵

Another piece of the conventional wisdom about economic sanctions in the 1990s is that the US Congress became much more involved in imposing sanctions. This trend purportedly reflects a relaxation of national security constraints with the end of the Cold War and an increased role for domestic political motives. A careful analysis of US sanctions cases over time, however, suggests that the role of Congress in sanctions policy began changing well before the Cold War ended and that détente and other political and institutional changes in the US government were nearly as important as the collapse of the Soviet Union.⁶

In the 1970s (and 1980s), Congress was quite active on foreign policy issues, but it intervened in relatively limited fashion, passing laws to encourage the executive to impose sanctions in pursuit of Congress's goals, but not mandating it, or restricting economic or military aid, often for relatively short periods of time. Perhaps the most striking change between the 1970s and 1990s is the increase in country-specific sanctions legislation and the related increase in presidential sanctions intended to head off more severe, or less flexible, congressional action. The hand of narrow special interest groups (not necessarily ethnically based) is also more apparent in many of these cases than in earlier periods. There were just two country-specific congressional sanctions actions in the 1970s (the boycott of Ugandan goods) and 1980s (the Comprehensive Anti-Apartheid Act against South

Africa). There were five in the 1990s: new sanctions against Burma (investment and aid bans that were extended in 2003 to include a ban on all imports) and Romania (denial of most favored nation (MFN) status), and the expansion of sanctions against Cuba, Iran, and Libya.

Whether or not they served the national interest, the Helms-Burton bill targeting Cuba and the Iran–Libya Sanctions Act (ILSA) were both strongly influenced by special interest lobbying – the American Israel Political Action Committee in the case of Iran, the families of the Pan Am bombing victims in the case of Libya, and the Cuban-American community with respect to Helms-Burton. These bills also brought American policy to a new level of unilateralism by threatening sanctions against firms in third countries that do not cooperate with US sanctions against the primary target – even though their home governments have imposed no such sanctions against Iran, Libya, or Cuba. A similar bill, pushed by African-American groups concerned about slavery and religious groups concerned about persecution of Christians in Sudan's civil war, would have barred companies investing in Sudan's petroleum industry from issuing securities on US financial markets. It passed the House of Representatives overwhelmingly in early 2001 and was put aside only when Sudan offered to cooperate in the war on terrorism after the September 11 attacks. Nevertheless, the public pressure has caused some western oil companies to disinvest in Sudan, though they have been replaced by companies primarily from India and Malaysia.⁷

In addition, the lifting of some sanctions against Sudan, Pakistan, and Azerbaijan suggests that the war on terrorism could help to break the political logjam that has kept some sanctions in place for decades with no discernible benefit for US interests. More generally, it might induce the Congress to grant more flexibility and discretion to the executive branch in the conduct of foreign policy. As of early 2003, however, the relative bipartisanship that initially surrounded the war on terrorism began to fray amid concerns over the war in Iraq and the Bush administration's embrace of a preventive, rather than pre-emptive, war policy for protecting American interests. Still, amid international and domestic debates over how quickly political control should be turned over to the Iraqi people, the American takeover of Iraq did result in an end to the much-criticized UN embargo against that country (except for continuing controls on military goods and the seizure of Saddam Hussein's personal assets).

Sanctions effectiveness in the 1990s

Preliminary findings from the data collected for the third edition of *Economic Sanctions Reconsidered* suggest that, in terms of achieving their foreign policy objectives, sanctions in the 1990s were about as successful (or unsuccessful, depending on your perspective) as those imposed over the previous two decades. Our success scale has two components, both judgmental: was the objective achieved, at least in part? How much did the sanctions contribute to a positive outcome? By this scale, sanctions contributed to positive foreign policy outcomes

Table 1.2 Use and effectiveness of economic sanctions as a foreign policy tool

	Total number of observations	Number of successes	Successes as a percentage of the total
<i>All cases</i>			
1914-44	14	7	50
1945-69	47	20	43
1970-79	42	13	31
1980-89	34	8	24
1990-99	51	16	31
1914-99	188	64	34
1970-99	127	37	29
<i>All cases involving the United States</i>			
1945-69	28	16	57
1970-79	31	8	26
1980-89	22	3	14
1990-99	38 ^a	10	26
1970-99	91	21	23
<i>Unilateral US sanctions</i>			
1945-69	17	12	71
1970-79	27	5	19
1980-89	14	1	7
1990-99	12	2	17
1970-99	53	8	15

Note

a Total differs from Figure 1.1 because success-failure assessments for all of the cases in Figure 1.1 were not available when this table was compiled.

(from the perspective of the sender government) 31 percent of the time, identical to the success rate in the 1970s and a slight recovery from the trough of the 1980s (Table 1.2).⁸

As in the second edition, the United States continued to perform more poorly with its sanctions policy than other senders, particularly when it acted unilaterally. As shown in Table 1.2, US unilateral sanctions succeeded in only 17 percent of cases in the 1990s and in only 15 percent for the entire 30-year period 1970-99. The latter is barely half the success rate for all cases of sanctions in this period and just a third of the 44 percent success rate for all other senders (calculated from figures in the Table; see Figure 1.3). The lack of a correlation between frequency of use and foreign policy effectiveness is one of the factors many observers point to in asserting that domestic politics must be driving US sanctions policy (Figure 1.4). The discussion above suggests that, while these critics may have a point, domestic politics is hardly the only factor in US sanctions policy.

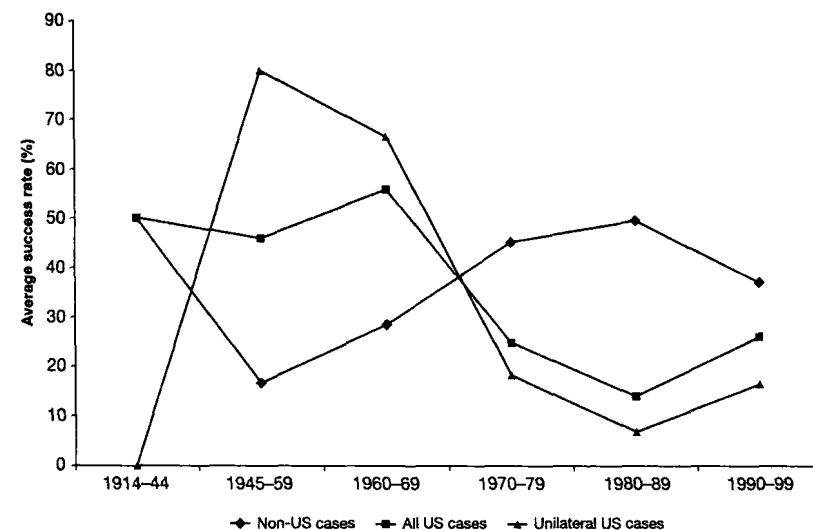


Figure 1.3 Effectiveness of foreign policy sanctions, 1914-99

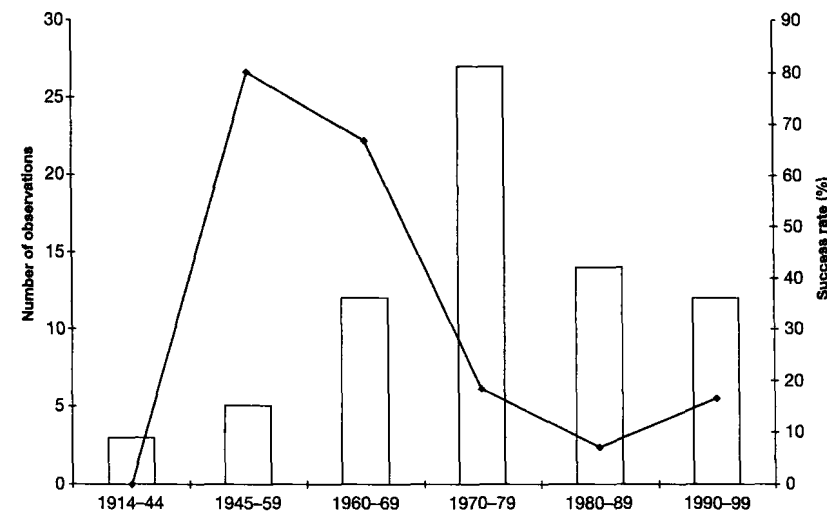


Figure 1.4 Use and effectiveness of unilateral US sanctions

The United Nations enters the sanctions scene

The end of the Cold War dramatically increased the latitude available to the United Nations Security Council (UNSC) when confronted with international threats to collective peace and security. That, combined with an evolving and expanding definition of collective peace and security, led the UNSC to become far more active in imposing economic sanctions than in the previous 45 years. After the initial burst of enthusiasm, however, disillusionment quickly set in. The embargo of Iraq dragged on for more than a decade, reducing living standards to levels not seen for decades, and the economic embargo of Haiti, one of the poorest countries on the earth, led hundreds of desperate refugees to risk their lives in attempts to flee to the United States. Moreover, the threat or use of military force was necessary in both cases to achieve the initial goals – reversing the Iraqi invasion of Kuwait and restoring the democratically elected government in Haiti. Comprehensive economic sanctions against Yugoslavia seem to have contributed to the peace settlement in Bosnia, but, again, at very high costs to the civilian population.

Thus, in these early cases, the economic and humanitarian pain inflicted by broad multilateral sanctions often seemed to outweigh the political gain. Over the course of the 1990s, the UN maintained a relatively higher level of sanctions activity than during the Cold War, but the nature of that activity has changed sharply – away from the comprehensive embargoes of the early decade to more limited measures:

- arms embargoes against Somalia and Rwanda; and
- arms embargoes plus travel restrictions and limited assets freezes against Afghanistan, Liberia, Libya, the UNITA faction in Angola, and the rebels in Sierra Leone.

Other than arms, the only restrictions on trade were limited restrictions on strategic commodities – lucrative diamond exports from rebel-held areas of Angola and Sierra Leone, respectively (as well as transshipments through Liberia in the latter case), an oil embargo against Sierra Leone for a short period when the rebels controlled the capital, and, in mid-2003, restrictions on timber exports from Liberia to deny the Taylor government revenues that might be used to fuel the renewed civil conflict there.

These sanctions have not been particularly effective. The civil war in Angola ended only after rebel leader Jonas Savimbi was killed and those in Sierra Leone and Liberia were disrupted by external military intervention. The only case with some degree of success was Libya but in that case, targeted UN sanctions were buttressed by comprehensive US sanctions and, still, it took years to gain the surrender for trial of the suspects in the Pan Am bombing case.

Nevertheless, continuing ethnic conflicts in the Balkans, Africa, and elsewhere, as well as the new war on terrorism, continue to generate interest in improving economic sanctions as a tool to promote international peace and security. In addition to looking for ways to ameliorate the costs of sanctions for innocent

civilians and third parties, those interested in making multilateral sanctions more effective are questioning whether the UN has sufficient resources, authority, or expertise to monitor and enforce multilateral sanctions. Many in the UN and academic communities are also analyzing whether targeted sanctions such as those used in Africa and Afghanistan, in particular freezing the personal assets of political, military, and economic leaders in rogue states, can be made more effective.⁹

Rising interest in targeted sanctions

There has been extensive study in recent years of various types of targeted sanctions and many useful suggestions for how the United Nations could better organize itself to effectively use economic sanctions tools.¹⁰ It is not yet clear, however, whether this particular circle – more effectiveness with less civilian impact – can be squared. More targeted impact also often means more limited impact, even for those targeted. Given the nature of most “rogue” targets, it is not always easy to find weapons that hurt them.

Travel and transportation sanctions fall at the mild end of the spectrum of targeted countermeasures, though how targeted they are depends on whether they affect individuals or sectors. Visa bans targeted at individual leaders or policy-makers impose primarily psychological and diplomatic costs, though they could interfere with efforts by nongovernmental actors to raise money or acquire arms if that required travel abroad. Somewhat broader transportation sanctions, such as the ban on air travel to and from Libya, clearly make international travel more difficult and costly and may, therefore, impede foreign direct investment or certain types of trade – in perishables, for example. But the economic costs are still likely to be relatively small.¹¹ Similarly, the costs of restrictions on cultural, scientific, or sports exchanges will be mainly psychological. This suggests that targeted travel and transportation sanctions are likely to be useful primarily as symbolic or punitive measures.

Arms embargoes are another tool in the panoply of targeted measures. They may have economic effects, by raising the price of military hardware and squeezing budgetary resources, but the major objective of these sanctions is to prevent conflict or at least reduce the level of violence by denying protagonists the means to carry it out. In theory, timely implementation and vigorous enforcement of an arms embargo might achieve these goals. But the obstacles to effective arms embargoes are numerous and the logistical challenges are compounded by the strategic fact that nominally even-handed arms embargoes may lead to highly inequitable results on the ground. This, in turn, can undermine support for the embargo, as happened in the former Yugoslavia where the UN arms embargo effectively favored local Serb forces, who had access to indigenous arms production that was denied to the Bosnians. Unfortunately, arms embargoes often appear to be part of an effort to conduct foreign policy on the cheap. Declaring an arms embargo is often an easy and obvious action to take when violent conflict breaks out. Equally often, however,

the political will does not exist to apply the diplomatic and material resources necessary to make it effective.

One of the most frequently mentioned targeted sanctions is a freeze of the overseas assets of key individuals in the target country. The rationale behind this is two-fold: to hit those responsible for undesirable behavior and to spare those who have no power to change it. Financial sanctions in general do offer the potential for greater effectiveness than trade sanctions as a foreign policy tool because they are relatively easier to enforce, harder to evade, and may spur market-reinforcing effects. But broad financial sanctions are not necessarily more humane or more likely to affect elites. The question, then, is whether financial sanctions can be targeted in a way that both retains their relative utility and reduces the collateral damage.

Analysis detailed elsewhere¹² suggests that for financial sanctions targeted against individuals to have any chance of success,

- regime leaders must hold assets abroad;
- the assets must be identifiable;
- and, in cases where compliance rather than punishment is the goal, the assets must be a large enough proportion of the targeted individuals' total assets that the costs of defiance – the value of the blocked assets – must be perceived as being larger than the political, economic, or other costs of complying with the sender's demands.

Thus, the first challenge is to find and identify the assets to be blocked, no mean feat when targeting corrupt dictators who have an incentive to hide their ill-gotten gains even before being targeted for sanctions. Moreover, analysis suggests that, even if successfully carried out, the economic and political effects of an asset freeze would be limited in many cases without complementary controls on flows. That is, if the targeted leadership can replenish their assets through additional theft and corruption, an assets freeze may have little impact.

These caveats suggest that targeted assets freezes, assuming that such assets can be found, will have the most utility,

- against corrupt dictators in poor countries with few resources or options for accumulating new wealth;
- when the goal is punitive or symbolic; or,
- when the sender seeks only modest changes in policy or behavior that do not threaten the regime's ability to hold power.

More ambitious goals relating to conflict prevention or abatement, or the restoration of democracy following a coup, would appear to be out of reach unless financial flows are also disrupted, such as by restricting the ability of Jonas Savimbi to sell diamonds or of Charles Taylor to sell tropical timber. Even then, however, that may not be enough because the costs of compliance – in some cases, imprisonment, exile, or even death – will exceed the costs of any economic sanction.

Summary

Economic sanctions were used more frequently in the 1990s, but not only by the United States and not with any more success on average than the previous two decades. US sanctions in general became less rather than more unilateral as the focus turned from Latin America to Africa. But the level of unilateralism was ratcheted up in a few prominent cases – especially Cuba, Iran, and Libya – where US policymakers failed either to bring the targets to heel or to convince allies to cooperate in imposing sanctions. Frustrated with the lack of success on either score, Congress, pushed by narrow but powerful constituencies, took matters into its own hands in these cases. Because of their prominence and the disputes that arose with key allies and trading partners, however, these cases disproportionately color the view that most people have of US sanctions policy in the 1990s. Far bigger changes occurred in United Nations sanctions policy and the European Union also became more active as the locus of so much foreign policy concern turned to its backyard in Africa.

But at least some of these trends seemed to be reversing themselves within just a few years as the costs and limitations of economic sanctions as a policy tool once again revealed themselves. Overall, the frequency of use declined after the initial surge in the early 1990s. Still the search for ways to make sanctions both more effective and less costly for innocent civilians, particularly at the United Nations, continues.

Notes

- 1 G. C. Hufbauer, J. J. Schott, and K. A. Elliott, assisted by B. L. Oegg, *Economic Sanctions Reconsidered*, 3rd edition, revised (Washington, DC: Institute for International Economics, forthcoming 2004).
- 2 This figure is higher than the 171 case studies that will be included in the book because some cases have multiple targets (10), goals (4), or distinct phases (8). Also note that all numbers in this chapter are preliminary and subject to change, as the database for the third edition of *Economic Sanctions Reconsidered* was still being finalized at the time this was written.
- 3 This figure is significantly lower than the 61 instances of new laws or executive actions authorizing sanctions catalogued in a 1997 National Association of Manufacturers study. In addition to including environmental and worker rights sanctions, which are excluded from *Economic Sanctions Reconsidered*, the NAM catalogue also includes actions that do not result in sanctions actually being imposed. See National Association of Manufacturers, "A Catalogue of New U.S. Unilateral Economic Sanctions for Foreign Policy Purposes, 1993–96," Washington, March 1997.
- 4 See D. W. Drezner, *The Sanctions Paradox: Economic Statecraft and International Relations* (Cambridge: Cambridge University Press, 1999).
- 5 This section draws on K. A. Elliott and B. L. Oegg, "Economic Sanctions Reconsidered – Again," presented at the International Studies Association, Annual Meetings, New Orleans, March 2002.
- 6 Tony Smith notes that the rise in social activism, which began in the 1960s, coincided in the 1970s with a number of institutional changes that weakened the seniority system in Congress and eroded party discipline more broadly. Congress also responded to