

## Economic Sanctions Reconsidered, 3rd edition

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Economic sanctions—deliberate, government-inspired withdrawal, or threat of withdrawal, of customary trade or financial relations—remain an important yet controversial foreign policy tool that policymakers invoke to respond to perceived misdeeds of foreign governments. This volume is a thoroughly revised and updated edition of the Institute’s immensely influential work on economic sanctions originally published in 1983 and last revised in 1990. The authors reassess the overall effectiveness of sanctions, based on additional evidence garnered from cases initiated during the 1990s, and offer updated policy recommendations for the 21st century.

A new political landscape has shifted the focus of sanctions policies but not diminished their use. New features since 1990 include armed conflicts within countries, mostly in Africa and the Balkans, and rapid globalization. Fresh diplomatic fronts have opened up involving a wide spectrum of issues: ethnic strife, civil chaos, human rights and democracy, terrorism, narcotics, and others. Sanctions now are often deployed in settings where central government authority is fragile or fragmented. In addition to being targeted at the established government, in recent years sanctions have often been aimed at dissident factions as well (witness the recent sad history of Somalia and war-torn West African nations).

The United States continues to be the predominant “sender” country, but the incidence of unilateral actions fell dramatically as US officials acted more frequently in concert with others after the collapse of the Soviet Union and as the European Union became more active. Advocacy and lobbying groups in the United States have often succeeded in mobilizing congressional or statehouse support for sanctions, even in the face of opposition from the foreign policy establishment. Such pressures have resulted in new or tightened sanctions against Iran, Libya, Cuba, Burma, Nigeria, and Sudan.

The starting point for the analysis in this volume is an exhaustive examination of 174 cases of economic sanctions, from the Allied blockade of Germany in World War I through the threat by the Organization of American States and the United States to impose sanctions against Ecuador in 2000 in response to the attempted coup against President Jamil Mahuad. Open cases, such as Iran, Iraq, North Korea, and Sudan, are updated through 2006, and the authors provide thumbnail sketches of cases initiated after 2000. Each case has 14 political and economic variables, which across 204 sanctions episodes creates the most detailed dataset on the global use of sanctions. (Some of the 174 cases have more than one target or policy objective or have distinct phases over an extended period; the result is 204 episodes.) To make this new edition more user-friendly, the case studies and database have been released on a companion CD-ROM.

Overall, the authors found sanctions to be at least partially successful in 34 percent of the cases that they documented. However, the success rate importantly depended on the type of policy or governmental change sought. Episodes involving modest and limited goals, such as the release of a political prisoner, succeeded half the time. Cases involving attempts to change regimes (e.g., by destabilizing a particular leader or by encouraging an autocrat to retire), to impair a foreign adversary’s military potential, or to otherwise change its policies in a major way succeeded in about 30 percent of those cases. Efforts to disrupt relatively minor military adventures succeeded in only a fifth of cases where that was the goal.

Interestingly, the conclusions reached by the authors a quarter century ago remain robust despite the dramatic changes in the world political landscape and the global economy. In fact, some of the authors’ early recommendations have guided the formulation and implementation of sanctions policies in the 1990s and 2000s.

Regrettably, as evidenced in Haiti, Panama, and now Cuba, their concerns about postsanctions planning—the importance of planning to unwind sanctions and restore normal commercial activities— have not been faithfully pursued.

The first and second editions of *Economic Sanctions Reconsidered* offered nine “commandments” to policy officials. In this third edition, the authors instead offer seven “recommendations.” Some lessons from past sanctions experience need to be repeated and others revised to reflect the changing political and economic environment of the 21st century:

- **Don't Bite Off More Than You Can Chew.** Policymakers often have inflated expectations of what sanctions can accomplish. At most there is a weak correlation between economic deprivation and political willingness to change. The economic impact of sanctions may be pronounced, especially on the target, but other factors in the situation often overshadow the impact of sanctions in determining the political outcome.
- **Friends Are More Likely to Comply than Adversaries.** Economic sanctions are most effective when aimed against erstwhile friends and close trading partners. These countries have more to lose, diplomatically as well as economically, than countries with which the sender has limited or adversarial relations.
- **Beware Autocratic Regimes.** It is hard to bully a bully with economic measures. Senders should not expect that sanctions will work as well against large targets that are strong, stable, hostile, and autocratic.
- **Slam the Hammer, Don't Turn the Screw.** There is a better chance to avoid military escalation if sanctions are deployed with maximum impact. This was the authors' conclusion in 1990 regarding Iraq and remains their policy advice in 2007 in the confrontation with Iran over its ambitions to develop nuclear weapons.
- **More Is Not Necessarily Merrier.** A large coalition of sender countries does not necessarily make a sanctions episode more likely to succeed. Cooperation is generally sought only when the objective is very ambitious and is often not needed when goals are more modest. Moreover, the greater the number of countries needed to implement sanctions and the longer the sanctions run, the greater the difficulty of sustaining an effective coalition.
- **Choose the Right Tool for the Job.** Sanctions often are the first course in a menu of actions against belligerent nations. In many instances, they are deployed in conjunction with other measures directed against the target: covert action, quasi-military measures, or regular military operations. Indeed, in some cases, economic sanctions merely provided an interim response until military action could be organized—as President George H.W. Bush admitted in his memoirs about the first Gulf War.
- **Don't Be a Cheapskate or a Spendthrift.** Senders need to match costs imposed on domestic constituencies (and allies) to expected benefits; otherwise, public support for the sanctions policy may quickly erode. But senders also need to take care not to worry so much about minimizing self-inflicted costs that they devalue the impact of the overall exercise.

Although economic sanctions may be the best or even the only option in some cases where it is politically necessary to “do something,” not just any sanction will do: The sanction chosen should be appropriate to the circumstances. Senders usually have multiple goals in mind when they impose sanctions, and coercion is not always at the top of the list. Prudent leaders will carefully analyze the unintended costs and consequences before choosing a particular measure. Like a fine suit, sanctions should be carefully tailored to the shape of the objective. Equally important, prudent leaders should consider, in advance, how they or their successors will discard or refashion the old suit when it no longer serves its original purpose.

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