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## SANCTIONS SUCCESS IS POSSIBLE BUT NOT COMMON

**Washington**—Economic sanctions have contributed to achieving foreign policy goals in about a third of the cases over the past century, according to a new study by the Peterson Institute for International Economics. *Economic Sanctions Reconsidered*, 3rd edition is a thoroughly revised and updated edition of the Institute’s acclaimed and influential work on sanctions by Gary Clyde Hufbauer, Jeffrey J. Schott, Kimberly Ann Elliott, and Barbara Oegg. The new edition is based on additional evidence garnered from cases initiated since the 1990s and, in addition to the general analysis of sanctions effectiveness, it analyzes the use of sanctions in the post–Cold War era and offers updated policy recommendations for the 21st century.

*Economic Sanctions Reconsidered* contains comprehensive data and analysis of the use of sanctions over the past 100 years. The authors examine more than 200 sanctions episodes, including current cases against Iran and North Korea. Key findings include:

- Sanctions “succeed” in about one-third of the cases overall, but the success rate depends importantly on the type of objectives sought.
- Success means sanctions contributed significantly to the partial or full achievement of the foreign policy goal.
- Partial achievement of foreign policy goals is far more common than full achievement.
- Sanctions are often more effective when aimed against friendly and democratic countries than against adversaries and autocrats.
- Diversified sanctions—involving a mix of trade and financial measures—succeed more often than cases involving only trade sanctions.
- Incremental implementation of sanctions (i.e., turning the screw) is less effective than full-bore measures. However, diplomats prefer to turn the screw.
- International cooperation doesn’t guarantee success, but in recent years the record for multilateral sanctions is better than the record for unilateral US sanctions.
- “Targeted sanctions” are no more successful than traditional measures, and those

targeting individuals work better as a signaling device than as a coercive measure.

- Our success rate of one-third overall indicates that in about two-thirds of the cases the foreign policy goal was not achieved or, if it was achieved, other means were decisive (usually military force).

The new edition features an extensive assessment of how sanctions policies have changed since the end of the Cold War. The new political landscape shifted the focus and geographic locus of sanctions but did not diminish their use. The European Union has become an important sender, particularly in cases involving Africa. Sanctions continue to be deployed frequently, and the United States remains the leading practitioner. But the incidence of unilateral actions has fallen as US officials acted in concert with others, and United Nations cases became more prevalent, particularly in dealing with armed conflict within countries (especially in Africa).

Since 1990, sanctions cases also targeted an ever wider spectrum of issues: ethnic strife, civil chaos, human rights and democracy, narcotics trafficking, and terrorism. Sanctions now are often deployed in settings where central government authority is fragile or fragmented; in such cases, sanctions often aim at dissident factions. In addition, new players in the mix, including subnational governments and nongovernmental organizations, have pushed for new or tightened sanctions against Iran, Libya, Cuba, Burma, and Sudan.

## **Summary of Findings**

Overall, the authors find sanctions to be at least partially successful in 34 percent of the episodes that they documented. However, the success rate importantly depends on the type of policy sought (see table 1). Episodes involving modest and limited goals, such as the release of political prisoners, succeeded half the time. Cases involving attempts to dislodge regimes, to impair a foreign adversary's military potential, or to otherwise change its policies in a major way succeeded less than a third of the time. Efforts to disrupt relatively minor military adventures succeeded in only a fifth of the episodes.

The authors find that broad, diversified sanctions have higher success rates on average. Cases in which financial, export, and import sanctions were all deployed succeeded 40 percent of the time, versus 25 percent for trade controls without a financial component. Financial sanctions are more likely to punish the political and military elite in a target country, whereas the pain from trade sanctions is usually distributed across the populace at large.

Such broad and, especially, comprehensive sanctions are blunt instruments. Their economic impact often inflicts collateral damage on the populace at large and sometimes to neighboring countries, while regime leaders and their loyal supporters may escape unscathed. To minimize hardship on the general public and neighboring states, policymakers have tried to design “targeted sanctions”—measures such as arms embargoes, travel bans, asset freezes, and selective banking sanctions—whose impact is focused on specific officials or government agencies. The authors find that the success rate for targeted sanctions is about the same as the success rate for all sanctions. Out of 174 sanctions cases, only 20 cases deployed targeted sanctions outside the framework of comprehensive embargoes. Some 7 of those 20 cases (35 percent) can be judged partially successful.

**Table 1 Success by policy goal**

<b>Policy goal</b>	<b>Success cases</b>	<b>Failure cases</b>	<b>Total</b>	<b>Success ratio</b> (percent of total)
Modest policy changes	22	21	43	51
Regime change and democratization	25	55	80	31
Disruption of military adventures	4	15	19	21
Military impairment	9	20	29	31
Other major policy changes	10	23	33	30
<b>All cases</b>	<b>70</b>	<b>134</b>	<b>204</b>	<b>34</b>

Note: This table is based on table 6.1 in *Economic Sanctions Reconsidered*, 3rd edition.

## **Recommendations: Economic Sanctions 101**

The authors’ policy recommendations in past editions remain remarkably robust despite the dramatic changes in world politics and the global economy. Regrettably, their emphasis on the importance of planning to unwind sanctions and restore normal commercial activities has not been faithfully pursued, as evidenced in Haiti, Panama, and Iraq. Some lessons from past experience need to be repeated and others revised to reflect the changing political and economic environment of the 21st century. To that end, the authors offer seven recommendations for sanctions policy:

**Don't Bite Off More than You Can Chew.** Policymakers (influenced by vocal advocates) often express 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, but other factors 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.

**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 or military operations. In some cases, economic sanctions merely provide an interim response until military action can 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 cases where it is politically necessary to “do something,” not just any sanction will do. The sanction chosen should be appropriate to the circumstances, and leaders should carefully analyze the unintended costs and consequences before selecting a particular measure. Senders usually have multiple goals in mind when they impose sanctions, and coercion is not always at the top of the list. 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.

### **About the Authors**

**Gary Clyde Hufbauer** resumed his position as Reginald Jones Senior Fellow in 1998. Previously he was the Marcus Wallenberg Professor of International Financial Diplomacy at Georgetown University and served in the US Treasury Department from 1974 to 1980. Dr. Hufbauer holds an AB from Harvard College, a PhD in economics from King’s College at Cambridge University, and a JD from Georgetown University Law Center. His coauthored publications include *US Taxation of Foreign Income* (2007), *US-China Trade Disputes: Rising Tide, Rising Stakes* (2006), and *NAFTA Revisited: Achievements and Challenges* (2005).

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### **About the Peterson Institute**

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#### *Economic Sanctions Reconsidered, 3rd edition*

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