



**ECONOMIC SANCTIONS: AN HISTORICAL
AND CONCEPTUAL ANALYSIS**

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Summary

A detailed analysis of 13 applications of economic sanctions yields mixed results regarding their effectiveness as instruments of foreign policy. In none of the cases did the imposition of economic sanctions force a country to reverse the actions that triggered the sanctions. There are two main reasons for this failure.

- o Most economies have sufficient flexibility to mitigate the economic impact of sanctions by circumventing them or by making internal economic adjustments.
- o Even when the sanctions have substantial economic impact, countries have shown a strong and lasting commitment to maintaining their present course of conduct. The imposition of sanctions, in many cases, has stiffened their resolve.

The case studies reveal that miscalculation, misunderstanding, or failure to take all of their complex elements into account have caused sanctions to fail, sometimes with serious economic and political consequences for their sponsor. [REDACTED]

We found, nonetheless, that sanctions can serve several useful purposes:

- o They make the target country pay an economic price, sometimes a high one, for its policies.
- o They contribute to its international isolation.
- o They may strengthen the hand of opposition groups within—or outside—the sanctioned country.
- o For the country imposing sanctions, they provide a policy alternative short of military action, satisfy important political constituencies, and buy time and room for diplomatic initiatives and other approaches to the problem. [REDACTED]

Whether or not sanctions can be considered effective depends on the objectives against which their impact is measured. The unstated objectives often differ from those that are stated publicly. In general, sanctions are likely to be more effective when judged against objectives of economic punishment or public disapproval rather than against the goal of changing the conduct of an offending country. [REDACTED]

Our analysis confirms the complexity of using sanctions as an instrument of foreign policy. Key findings in this regard include:

- o There are distinct tradeoffs between unilateral and multilateral sanctions. While a single country may have a strong commitment to levying sanctions, it is less likely to control the range of goods needed to have a significant economic impact on the target. While a group of sponsors has the potential ability to economically punish the target country, this power is rarely used because of disagreements on sanction objectives and a wide range of commitments to the sanctions effort.

- o Sanctions often yield unanticipated political and economic results; in some cases the sanctions have caused countries to shift alliances or their economic and political orientations.
- o Sanctions acquire political significance even when economic effects are minimal. Easing the sanctions without some evidence of concessions by the offending country may give an impression of failure. In any event, it probably will be taken as a signal of a policy shift. [REDACTED]

The potential effectiveness of sanctions can be gauged by the close analysis of several factors. Most important among these are:

- o The volume and importance of goods that the sponsor country can withhold from the offending nation.
- o The impact of the sanctions on the target country's domestic politics and international position.
- o The ability of the sanctioned country to adjust economically to the loss of commerce.
- o The commitment of the target country to the policies that triggered the sanctions.
- o The degree of cooperation the sponsor country can get from other nations; reaching agreement on objectives is often difficult and in such cases the political cost of getting cooperation from allies can be high.
- o The economic cost of the sanctions to the sponsor country.
- o The ability of the sponsor country to maintain the sanctions over a long enough time to have an impact on the offending nation.

We also found, however, that even the most careful planning process is unlikely to take full account of all the political and economic dynamics associated with the use of economic sanctions. [REDACTED]