Economic Sanctions and US Power

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Economic Sanctions Reconsidered (3rd Edition)

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Peterson Institute for International Economics, 2007
(www.piie.com)
Sanctions database

- 204 observations from WWI to 2000
- All sanctioners, not just US
- Variety of goals, from release of political prisoners to inducing Iraqi withdrawal from Kuwait in 1990-91
- 12 economic, political explanatory variables
Caveats

- Data is qualitative
- Cases are heterogeneous
- Foreign policy is complicated—omitted variables (pseudo r-squareds < 0.25)

>>> difficult to generalize
Defining success

- Instrumental goals, not symbolic or domestic political goals

- Two elements:
  - policy result
  - sanctions contribution
Factors affecting probability of sanctions success

Costs of defiance

- Direct cost of sanctions
- Escalation threat
- Relations with sender or third parties
- Political response in target

> Costs of compliance

- External security
- Internal security and stability
- Political, personal well-being
Trends in the Use of Economic Sanctions

Number of cases


Non-US cases Non-unilateral US cases Unilateral US cases
### Who hits...

<table>
<thead>
<tr>
<th>Region</th>
<th>1970-89 (number per decade)</th>
<th>1990-99 (number per decade)</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>24.5</td>
<td>38</td>
</tr>
<tr>
<td>EC/EU</td>
<td>4.5</td>
<td>19</td>
</tr>
<tr>
<td>USSR/Russia</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>UN</td>
<td>1</td>
<td>11</td>
</tr>
</tbody>
</table>
...and who gets hit?

<table>
<thead>
<tr>
<th>Region</th>
<th>1970-89</th>
<th>1990-99</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>4.5</td>
<td>18</td>
</tr>
<tr>
<td>Asia</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Lat. America</td>
<td>9.5</td>
<td>8</td>
</tr>
<tr>
<td>Middle East</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>USSR/FSU</td>
<td>3</td>
<td>8</td>
</tr>
</tbody>
</table>
The results overall...

All observations:
1914-2000  70/204 = 34%

Non-US observations:
1914-2000  23/64 = 36%
1970-2000  17/37 = 46%
And for the US

All US observations:

1914-2000 47/140 = 34%
1945-69 14/27 = 52%
1970-2000 30/105 = 29%

Unilateral US observations:

1914-2000 20/71 = 28%
1945-69 10/16 = 63%
1970-2000 10/52 = 19%
Sanctions more likely to be effective when:

• Goals are limited and clearly defined (50% vs. 30%)

• Costs are in line with goals (5.5% of GNP with major goals vs. 2.6% when goals modest)

• Targets are friendly or democratic countries, rather than enemies, autocrats
<table>
<thead>
<tr>
<th>Goal category</th>
<th>Sanctions only</th>
<th>Sanctions with mil. force</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of cases</td>
<td>Success rate*</td>
</tr>
<tr>
<td>Modest</td>
<td>84</td>
<td>56</td>
</tr>
<tr>
<td>Regime change</td>
<td>69</td>
<td>29</td>
</tr>
<tr>
<td>Conflict management</td>
<td>74</td>
<td>29</td>
</tr>
<tr>
<td>Military impairment</td>
<td>52</td>
<td>13</td>
</tr>
<tr>
<td>Other major</td>
<td>48</td>
<td>38</td>
</tr>
<tr>
<td>All cases</td>
<td>67</td>
<td>35</td>
</tr>
</tbody>
</table>
Do sanctions lead to war?

- Of 204 sanctions episodes, only 30 involve military force.

- In most, sanctions, military force complemented one another.

- Only sanctions against Japan prior to WWII possible trigger for war.
Failed sanctions and escalation

US cases:
- Panama
- Somalia
- Iraq—pre-Gulf War I; Gulf War II
- Yugoslavia—Bosnian war; Kosovo
- Haiti—sanctions as trigger for failed intervention?

Did sanctions tie hands? Or buy time, weaken adversary?