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# Serious About Sanctions

## Daniel W. Drezner

SELF-inflicted wounds. Chicken soup diplomacy. Boomerangs. Good intentions gone bad. These clipped responses reflect the accepted wisdom among policy cognoscenti about the scant value of economic sanctions to the United States. Even Hollywood is derisive; in the summer 1997 blockbuster *Air Force One*, "President" Harrison Ford denounces as "cowardly" a policy of applying mere economic sanctions to terrorist states.

Curiously, though, this near consensus has not slowed the congressional urge to apply sanctions. In the past three years the United States has imposed or threatened economic sanctions 60 times against 35 different countries, affecting 42 percent of the world's population. According to the Institute for International Economics, sanctions exact an annual cost of close to $20 billion in lost exports. To enforce sanctions against Cuba, Iran, and Libya, Congress has passed laws mandating secondary sanctions against foreign companies that do business with these countries. Proponents of such sanctions argue that such legal mandates are necessary for sanctions to work. Opponents point to damaged relations with key allies and utterly inconclusive results.

Sanctions are serious business, and they do involve serious costs. Their effect, however, is more complex than either moralistic optimists or realpolitik pessimists usually contend. A closer look at the history and strategic logic of sanctions shows that they can be a valuable policy tool in some domains but are useless in others. The trick is to figure out which is which.

### *The Poverty of the Pessimists*

WITHIN THE foreign policy establishment, sanctions pessimists far outnumber optimists.[1] Lately, too, pessimists have been galvanized by USA*Engage, a business lobby dedicated to the removal of all unilateral sanctions. The pessimistic approach is based on the belief that all sanctions share the same negative characteristics as those of the best-known cases of presumed failure: the UN sanctions regime against Iraq since 1991; the U.S. grain embargo against the Soviet Union in 1980; U.S. sanctions against Castro's Cuba; and, earlier, the 1935 League of Nations sanctions against Italy. Taking these cases as representative, four main conclusions are drawn: 1) sanctions rarely work; 2) unilateral sanctions never work; 3) sanctions hurt American trade and damage the U.S. reputation as a reliable sup-

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[1] See, for example, James Schlesinger, "Fragmentation and Hubris", *The National Interest* (Fall 1997), and Richard Haass, "Sanctioning Madness", *Foreign Affairs* (November/December 1997).

plier; and 4) sanctions are immoral because they afflict ordinary citizens rather than culpable elites.

Each of these arguments is flawed, but taken together they are wrong for two principal reasons: pessimists ignore lesser known successful cases; and their specific accounts of major failed episodes are pocked with errors. When we take these four arguments one by one and match them against the historical record, several stunning conclusions emerge. It turns out that sanctions tend to work better when applied against allies rather than adversaries. It also happens that unilateral U.S. sanctions are sometimes more effective than multilateral sanctions.

**Flawed Argument #1: Sanctions rarely work.** *Economic Sanctions and American Diplomacy*, a recent Council on Foreign Relations volume edited by Richard Haass, displays all the qualities of the pessimists' literature on the subject. It starts with the comment that sanctions are proliferating and concludes with the various reasons why they almost never work: they are imposed halfheartedly; the sanctioned state can easily evade them; the demands are too big or too vague. These pronouncements sandwich some anecdotal descriptions of the most prominent examples of sanctions, including the clunkers listed above, and suggest that all cases of economic sanctions have the same basic characteristics as these celebrated failures.[2]

This is not so. Economic sanctions do not always fail. One comprehensive study of 116 sanctions episodes between 1914 and 1990 concluded that economic sanctions failed about a third of the time, succeeded about a third of the time, and partially succeeded about a third of the time.[3] The data also show that the end of the Cold War has increased the odds of sanctions success, and the reason is simple: there is no Soviet Union to serve as a "black knight", replacing the United States as a source of aid.

Close analysis of the record reveals interesting distinctions between cases where sanctions work and where they do not. As expected, they tend to work if they impose significant economic costs and if the political objective toward which they are aimed is narrowly and clearly defined. More intriguing, however, is the importance of conflict expectations.

The use of sanctions between adversaries is more frequent (and more costly to the sanctioner) than sanctions applied between allied or friendly states, but they are less successful in extracting political concessions. The reason is that adversaries care about the long-run implications of making concessions because they anticipate future clashes. They are reluctant to behave in ways that could strengthen the sanctioner's future bargaining position and establish their own reputation for acquiescence. Adversaries often prefer near-term economic costs to longer term political ones. This best explains the general failure of U.S. economic coercion to achieve its stated goals against countries such as Iran, Iraq, Cuba, China, and North Korea, even if sanctions do serious economic harm to them.

Sanctions imposed against allies or friends are rarer, but far more successful. The logic here is also clear. They are rarer because governments are generally reluctant and have less need to impose economic costs on an ally or friend. But sanctions are more likely to work because, as allies have lower expectations of future conflict, they will be less concerned about the material and reputational consequences of acquiescing. This explains lesser

[2]Other examples of the genre include Robin Renwick, *Economic Sanctions* (Cambridge: Harvard Studies in International Affairs, 1981); Margaret Doxey, *International Sanctions in Contemporary Perspective* (New York: St. Martin's Press, 1987); and Makio Miyagwa, *Do Economic Sanctions Work?* (New York: St. Martin's Press, 1992).

[3]Gary Clyde Hufbauer, Jeffrey Schott, and Kimberly Ann Elliott, *Economic Sanctions Reconsidered: History and Current Policy*, 2nd ed. (Washington: Institute for International Economics, 1990).

known but hardly insignificant instances of successful American sanctions: the financial sanctions used against Great Britain and France during the 1956 Suez crisis; the various economic pressures marshaled against U.S. allies in the 1970s to dissuade their acquisition of nuclear weapons; and the 1991 use of loan guarantees to leverage Israel into halting the construction of new settlements in the West Bank and Gaza.

Some argue as well that sanctions against allies tend to work because, more often than not, U.S. allies are democracies. In democracies, as Gary Hufbauer recently put it, "the elite cares what the rest of the world thinks", which makes it "far more susceptible to sanctions than authoritarian countries isolated from world opinion."[4] This sounds right, but it isn't. The data show no correlation between the effectiveness of sanctions and whether the targeted regime is democratic. A bit more reflection suggests, too, that the democracy issue cuts both ways. While democratic governments may—or may not—be influenced by their sense of world opinion to give in to pressure, they may also be influenced by a welling up of national pride and indignation to resist pressure. Contrariwise, authoritarian governments, which generally have less to worry about from their publics, may find it easier to give in to sanctions pressures when they decide they need to do so. So the interaction between democracy and sanctions turns out to be ambiguous.

There is no ambiguity, however, about the fact that sanctions employed against adversaries are far more likely to be *noticed* than those directed against allies. In an adversarial relationship, both states are more likely to take public actions to make their point. A classic example is the continuous conflict between the United States and Iraq since August 1990. Furthermore, adversaries have an incentive to use bellicose rhetoric to shore up domestic support, while allies usually prefer to keep their conflicts with each other hidden or at least reasonably muted. There are few rewards to using hostile rhetoric against one's allies, as Yitzhak Shamir found out in 1992 when his Likud government was defeated by an electorate unhappy in large part over deteriorating U.S.-Israeli relations.

Because sanctions episodes among adversaries are rhetorically louder and seem more portentous, it is natural that the media pay more attention to them. As a result, a distorted picture tends to emerge in which it is assumed that all cases of sanctions involve hostile rhetoric, non-negotiable demands, and hopeless stalemates. Pessimists are right to point out the futility of U.S. sanctions against countries such as Cuba, China, or Iraq. They are wrong to generalize this futility to all sanctions episodes.

**Flawed argument #2: Unilateral sanctions never work.** When presented with facts that make the "sanctions don't work" claim problematic, pessimists usually retreat to a fallback position, which is that *unilateral* sanctions never work—and most U.S. sanctions *are* unilateral. A simple economic logic supports this claim. Since the United States is only one of many important markets, targeted states can easily circumvent its sanctions by accessing alternative markets. Without concerted international support, the argument runs, sanctions are toothless.

While this seems unarguable, the available evidence is surprisingly ambiguous. Statistical tests show no significant overall relationship between the extent of international cooperation and the success of a sanctions episode. The data do show another relationship, however, concerning the auspices under which multilateral sanctions are imposed. If an international organization such as the United Nations or the Organization of American States mandates sanctions, multilateral action tends to be effective. This is because such auspices signal an intention by the sanctions coalition to stand firm, and make defections from a sanctions coalition less likely. Thus,

[4]Gary Hufbauer, "The Snake Oil of Diplomacy", *Washington Post*, July 12, 1998.

UN sanctions against both Serbia and Iraq have remained in place for several years despite the efforts of some Security Council members to lift them. While sanctions have not been conclusively effective in either case, they have limited the power base and diplomatic flexibility of both regimes.

Without such institutional support, however, multilateral sanctions are significantly *less* likely to succeed than unilateral action. This is because the sanctioned country usually prefers to wait out an ad hoc sanctions coalition, expecting it to collapse. In the case of the U.S. grain embargo of the Soviet Union in 1980, for example, Argentina's willingness to sell grain to the Soviets encouraged several European countries, then Australia and Canada, to renege on their pledges not to increase their Soviet-bound exports.

Moreover, unilateral U.S. sanctions often impose greater costs than standard economic explanations predict because in most cases they do not fit standard economic assumptions. Instead of trade, aid is often targeted. The economic effect of aid-based sanctions can be substantial since circumventing the cost requires finding an alternative—something that is hard to do in the post-Cold War era. The United States can also suspend preferential trade arrangements with a sanctioned country. Again, for that country to evade the potential economic damage of such a sanction it must find another compatible market willing to make the same concessions. In cases where the United States has imposed export bans, it has often done so in circumstances in which the United States held a near monopoly position in the global marketplace. Examples include the embargo of nuclear technology exports in the 1970s to suspected proliferators, and the export ban of superphosphoric acid to the Soviet Union following the invasion of Afghanistan.

Unilateral U.S. sanctions can also target a regime's financial vulnerabilities. The freezing of foreign assets held in the United States is a device that has given the U.S. government considerable leverage in its ongoing difficulties with both Iraq and Iran. Another available option is undermining a targeted country's currency. Yet another is that of discouraging, in effect denying, access to IMF or World Bank assistance; or of simply making it illegal for U.S. financial institutions, public and private, to do business with certain countries under certain circumstances. Such a law passed by Congress in 1994 against non-nuclear weapons states that engaged in atmospheric testing—and clearly aimed at South Asia—succeeded in heading off an Indian test planned for early 1995.[5] (Obviously, it did not have the same effect in 1998.)

Unilateral American sanctions are hardly foolproof. But depending on the broader diplomatic context in which they are situated, they can impose greater economic costs, and provide more diplomatic leverage, than USA*Engage would like to acknowledge.

**Flawed argument #3: Sanctions hurt U.S. trade.** Business groups claim that because the United States imposes so many sanctions, American firms are put at a disadvantage compared to foreign competitors. They cite a recent study from the Institute for International Economics (IIE) that estimates the costs to U.S. exports resulting from sanctions at $15-19 billion, and a loss of 200,000 jobs in the export sector.[6] Furthermore, critics contend that sanctions render U.S. firms "unreliable suppliers", thus permanently weakening U.S. exports.

Anecdotal evidence for this claim abounds. The U.S. grain embargo of the Soviet Union is cited as having had a devastating impact on U.S. agriculture. One study pegged the cost at $7 billion, while the U.S.

[5]Noted in Henry Sokolski, "Faking It and Making It", *The National Interest* (Spring 1998).

[6]Gary Hufbauer, Kimberly Ann Elliott, Tess Cyrus, and Elizabeth Winston, "U.S. Economic Sanctions: Their Impact on Trade, Jobs, and Wages", IIE working paper (April 1997).

Department of Agriculture estimated that farm incomes dropped by 40 percent in 1980.[7] Furthermore, after the lifting of the grain embargo, the Soviet Union continued to rely primarily on non-American sources for food imports, thus deepening the losses still further.

A closer look at the evidence casts doubt on these claims. First, as noted above, most U.S. sanctions do not impinge on bilateral trade. Second, the IIE study makes the convenient but dubious assumption that U.S. firms are unable to redirect exports toward non-sanctioned countries. Note the irony: pessimists assume that sanctioned countries can redirect their trade at will, but that the United States cannot.

Consider the grain embargo in this light. Because Argentina and other countries were willing to export to the Soviet Union, it would appear that U.S. exporters were badly hurt. In fact, U.S. grain exports rose 37 percent in the fiscal year after the embargo, and the U.S. share of global grain exports rose by 3 percent. The United States simply expanded into new markets, such as China and Mexico, that other grain exporters had abandoned in order to service the Soviets.[8] The U.S. agriculture sector did suffer significant costs, but these costs were not equal to the total value of the reduced exports or even close to it. If widespread assumptions about the ability of sanctioned countries to redirect their trade are applied to U.S. exporters, the total costs to the United States of sanctioning falls from $15-19 billion to a range of $3-4 billion annually.

Finally, even the authors of the IIE report admit that there is no statistical evidence to support the "unreliable suppliers" argument. Trade levels for the year following the end of economic sanctions show no significant reduction in the volume of trade. In some instances the trade levels show a significant increase three to four years after the sanctions are lifted. Sanctions may impose costs on some U.S. firms, but they do not seriously harm America's trade position overall or in the long run.

**Flawed argument #4: Sanctions are immoral because they hurt ordinary citizens more than elites.** Sanctions have often been advocated as a morally superior substitute for more violent actions. But pessimists have argued that, over the long run, sanctions can devastate populations no less than war. The UN sanctions that have been in place against Iraq since August 1990 have been cited as an example. In April 1991, epidemics of cholera, typhoid, and gastroenteritis were reported in Iraq. With general inflation at 4,000 percent, the price of staple goods such as bread, eggs, flour, and infant formula also skyrocketed.[9] Journalists used a UN Food and Agriculture Organization (FAO) report on the humanitarian impact to claim that sanctions were responsible for the deaths of 567,000 Iraqi children since the end of the Gulf War. Even if these claims are vastly inflated—and they are—certainly the rulers of Iraq have not suffered as much as the ruled, if they have suffered at all. Thus, some sanctions pessimists argue, UN actions are tainted with the blood of those who have suffered in Iraq.

This argument is another example of using a flawed description of an atypical case to make improper generalizations. The FAO's 567,000 deaths estimate was based on a dubious extrapolation of a small sample, and no independent sources of data on health status in

[7]Cited in M.S. Daoudi and M.S. Dajani, *Economic Sanctions: Ideals and Experience* (Boston: Routledge, 1983), p. 141.

[8]See Robert Paarlberg, "The 1980-81 U.S. Grain Embargo: Consequences for the Participants", in David Leyton-Brown, ed., *The Utility of International Economic Sanctions* (New York: St. Martin's Press, 1987); and H. Stephen Gardner, "Assessing the Costs to the U.S. Economy of Trade Sanctions Against the USSR", in Gordon Smith, ed., *The Politics of East-West Trade* (Boulder: Westview Press, 1986).

[9]Bashir Al-Samarrai, "Economic Sanctions Against Iraq: Do They Contribute to a Just Settlement?", in David Cortright and George Lopez, eds., *Economic Sanctions* (Boulder: Westview Press, 1995).

Iraq are available. It is also impossible to disentangle the humanitarian impact of sanctions from the effects of bombing during the Gulf War and the economic damage that Iraq suffered due to eight years of the Iran-Iraq war. The outbreak of diseases in 1991 probably had far more to do with the bombing of the electrical grid during the Gulf War and the subsequent shutdown of waste treatment facilities than it did with sanctions. Most important, to blame the United Nations for the situation in Iraq overlooks the principal role of the Iraqi regime, which has preferred building weapons "palaces" to caring for the Iraqi people.

Just as some sanctions pessimists misconstrue reality in the Iraqi case, they also err by assuming that all other sanctions episodes resemble the Iraqi situation. About 75 percent of all sanctions episodes last less than the eight years that Iraq has been sanctioned. A majority of cases last three years or less. The average toll of sanctions as a percentage of GNP is one-hundredth the cost of the impact of sanctions on Iraq, which is itself exaggerated by the fact that sanctions have sharply curtailed Iraq's ability to export oil—a hugely valuable export by any measure. In most cases, the duration of the sanctions episode is too short, and the aggregate cost is too small, for populations to truly suffer. When we find exceptions—like sanctions applied against Haiti from 1992-94—then humanitarian escape clauses are both just, necessary, and available.

## *Deflating the Optimists*

ECONOMIC SANCTIONS are not as useless as pessimists contend, but that doesn't mean that the United States should be ready to apply them on a regular basis. Optimists who push for sanctions on one issue after another, often touting moral arguments for so doing, are either naive or irresponsible—and often both. They are naive because there is simply no empirical basis for their faith in the power of sanctions as an effective and precise tool to stop local wars, limit the flow of drugs, or halt the persecution of religious minorities. Thus their irresponsibility, for a tool used too often and in the wrong circumstances is a tool dulled; and a policy undertaken without concern for the long-term effects on the target is precisely what leads to pointless disasters such as that which befell Haitians between 1991 and 1994.

The arguments of sanctions optimists are no more impressive than those of sanctions pessimists. Two flawed examples come readily to mind.

**Flawed argument #5: Sanctions are a costless and harmless alternative to force.** Sanctions have long been part of the Wilsonian tradition of developing substitutes for the use of military force. Optimists often parry arguments about the limited effectiveness of sanctions with the escape clause that even if they do no good, they will do no harm—and if sanctions do turn out to be an effective substitute for force, the savings in lives and dollars is significant. As one optimistic scholar puts it, the cost of imposing sanctions is "far smaller than the cost of threatening or using major force, a prime policy alternative. While sanctions cost the United States $7 billion in lost exports, the defense budget . . . cost a far larger $283.5 billion in 1987. Moreover, sanctions have the obvious advantage of not risking the lives of U.S. citizens."[10]

The argument that sanctions are costless even if they do not work as intended is flat wrong. Sanctions entail political and military costs. Any tool of foreign policy depreciates in value the more frequently it is used, so using sanctions for every minor dispute dilutes their value as a credible signal. More important, sanctions can increase the chances of war. The first recorded use of economic sanctions helped to trigger the Peloponnesian War. Japan attacked Pearl Harbor only after the United States imposed an embargo. In 1994,

[10]Beth Rogers, "Using Economic Sanctions to Control Regional Conflicts", *Security Studies* (Summer 1996), p. 53.

North Korea responded to the prospect of UN sanctions by threatening a war that would have quickly engulfed Seoul—and few were prepared to call it a bluff.

It is no coincidence that all these are examples of sanctions imposed or threatened against adversaries. Imposing sanctions against adversaries is like playing with matches: they can fizzle out or they can ignite an unanticipated conflagration. Moreover, economic sanctions are as prone to "mission creep" as the use of force. Sanctions may be initiated with modest demands, but in a complex and difficult situation, more may be asked of them than they can deliver. This often causes the United States to up the ante through covert operations, the threat of force, or the use of force. That certainly has been the case in Iraq since the Gulf War, where sanctions were supposed to limit Iraqi power only until Saddam Hussein was overthrown, which most observers put at six months or less at the time. When Saddam did not fall as predicted, sanctions, together with UNSCOM inspections, were made to bear the brunt of the effort to contain a regime determined on strategic breakout and revenge—a task for which they were not designed. Hence the U.S. turn to covert operations and, thanks to Iraq's defiant and dangerous behavior, the use of moderate force in 1993 and 1996.

A similar dynamic can be traced elsewhere. Following the imposition of economic sanctions—many of them all but forgotten in the wake of what followed—the United States threatened force and sent troops to Somalia, Bosnia, and Haiti. The point is not the outcome of those interventions; the point is that sanctions are often a prelude to the use of force, not a substitute for it.

Many rue this form of mission creep, but some derive a principle from it. Hufbauer and Kimberly Ann Elliott both argue that the president *should* view the imposition of sanctions as a prelude to the use of force. In Hufbauer's words: "Unless we are prepared to remove bad governments with military force, we have no business heaping prolonged punishment on innocent people."[11] Even setting aside the fact that the punishment inflicted by sanctions is generally not severe, this view seems the inflexible inverse of that holding that sanctions are and always should be a substitute for the use of force. The real point is that sanctions must be part of an overall strategy for dealing with a problem. In other words, *sanctions should not be a substitute for strategy.*

Like other foreign policy tools, too, economic sanctions are subject to the law of unintended consequences, including ones extending beyond the targeted regime. For example, UN sanctions against Serbia have created a vibrant black market between Serbia and its neighbors, one result of this being that efforts at economic reform in Macedonia, Bulgaria, Romania, and Albania have suffered serious reverses as sanctions profiteers weakened the rule of law in these countries. Similarly, U.S. sanctions against Colombia may have driven its government and police to crack down on drug cartels, but that led in turn to an explosive growth of drug crime in Mexico—a country far closer and more important to the United States than Colombia. One can imagine circumstances, too, in which sanctions might undermine a recalcitrant government only to give rise to a downright evil one. So even if sanctions succeed in their primary task, ancillary costs such as these cannot be dismissed.

**Flawed argument #6: Congressional mandates will lead to an effective sanctions policy**. Single-issue lobbies for the war against drugs, terrorism, non-proliferation, or on behalf of human rights and fair trade, have all tried to influence policy through the application of mandatory economic sanctions via the U.S. Congress. These categorical mandates have been responsible for most threatened or applied U.S. sanctions since 1990.

[11] Hufbauer, "The Snake Oil of Diplomacy." See also Kimberley Ann Elliott, "The Sanctions Glass: Half Full or Completely Empty", *International Security* (Summer 1998), p. 58.

Activists argue that congressional mandates create an automatic trigger within the U.S. government that cannot be deactivated. That makes the threat of sanctions more credible, for when targeted countries realize that the executive branch has little discretionary power, they will cave in to congressional demands accordingly. The chicken metaphor is often invoked as a clincher. After all, the driver who throws the steering wheel out of the window should win every time, right? But like a lot of simple ideas, this one is wrong. The problem with its logic is that, even with congressional mandates, the executive branch still controls the steering wheel for the most part.

All congressional sanctions mandates include at least two ways for the executive branch to circumvent the intent of the law without violating its letter. First, most of these laws rely on an executive branch agency to determine if relevant countries are complying with U.S. standards. This tempts the bureaucracy to fudge reality. President Clinton admitted as much—and more—to a small group, not knowing that a member of the press was in the room:

> What always happens if you have automatic sanctions legislation is it puts enormous pressure on whoever is in the executive branch to fudge an evaluation of the facts of what is going on. And that's not what you want. What you want is to leave the President some flexibility, including the ability to impose sanctions, some flexibility with a range of appropriate reactions.[12]

This is not a new problem or a new sentiment. The Carter administration, although concerned with human rights, refused to brand any country as a "gross violator of human rights" because it did not want to trigger automatic sanctions. More recently, to exemplify the President's plaint, the Clinton administration certified Mexico as a responsible partner on drug prevention while denying the same status to Colombia, despite the marked similarities between the two countries on the drug issue. While this provoked congressional ire, sanctions were never imposed on Mexico.

Second, even if executive agencies were completely candid in their reports to Congress, virtually every piece of legislation regarding sanctions has a "national interest" waiver attached to it.[13] This gives the president the authority to waive sanctions due to other, allegedly overriding foreign policy considerations. Congress, for example, would have been willing to accept drug certification of Mexico had the Clinton administration invoked the national interest waiver. Obviously, the national interest argument can be used to exempt U.S. allies from sanctions.

Taken together, these two circumventions of congressional mandates produce the same old pattern: sanctions are only applied against those countries for which the odds of success range from slim to zero. Far from being an example of throwing out the steering wheel, congressional mandates are usually about as effective as honking the horn.

IT IS A POPULAR cliché in foreign affairs that academics make grandiose and unrealistic generalizations, inviting the scorn of policymakers for overlooking the complexities and the politics of the situation. It is more than a cliché; it is often true. With regard to sanctions, however, the cliché is reversed. Prominent policymakers are fond of dismissing sanctions as useless and counterproductive, while at least some academics rec-

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[12]Clinton quoted in Elaine Sciolino, "On Sanctions, Clinton Details Threat to Truth", *New York Times*, April 28, 1998.

[13]The 1994 Non-Proliferation Act was an exception that proved the rule; but after the law was triggered by Indian and Pakistani tests, Senator John Glenn, author of an amendment to the act, stated that he regretted the omission of a national interest waiver—or, at the least, of a thirty-day cooling off period before sanctions came into effect. See Nancy Dunne, "Sanctions Overload", *Financial Times*, July 21, 1998.

ognize that things are not so simple. As demonstrated above, economic sanctions tend to be least effective against the few countries that the United States is most eager to coerce. When used selectively and carefully, however, against the vast majority of states that do not expect frequent bilateral conflicts with the United States in the future, they can be a valuable diplomatic tool. This does not mean, of course, that all sanctions directed against allies or neutrals are wise, only that they are more likely to work. All the more reason, then, to make certain they are wise.

There have been some hopeful signs lately that a more nuanced understanding of sanctions may be developing. The Clinton administration and the Congress are backing away from the precipice of a sanctions avalanche. At the May 1998 G-8 summit in Birmingham, England, the United States agreed not to apply the extraterritorial sanctions mandated by the Helms-Burton and Iran-Libya acts against European firms. This action headed off a looming trade war between the United States and the European Union that could have shaken the global trading regime to its very foundations.

Congress is also taking steps to act more prudently. Senator Richard Lugar has proposed the Sanctions Reform Act, which would require such sensible things as a clear statement of policy objectives, a report assessing the cost of sanctions to the United States, and a national interest waiver for the president in all cases. The draft law is not perfect; for example, its proposal to require congressional approval every two years to keep sanctions in place would merely encourage targeted regimes to hunker down and wait for sanctions fatigue to kick in. But the trend is clear, and the way the United States has dealt with the proliferation issue in South Asia has been exemplary. The 1994 Non-Proliferation Act required the United States to impose sanctions on India and Pakistan should they test a nuclear weapon, as both did this spring. However, the Clinton administration interpreted the law in such a way as to impose only mild sanctions. In the context of what appeared to be a serious diplomatic effort, it then encouraged Congress to lift the ban on wheat sales to both countries—which Congress did on July 9—followed quickly by the easing of most other sanctions in tandem with administration guidance.

All this is to the good, but we can do still better. The recent disrepute of economic sanctions is in no small part due to a lack of candor that has taken several forms. First, both Congress and the President have pushed for sanctions for opportunistic reasons, and without acknowledging the long-term political costs to the sanctions tool that come from overusing it. Second, when sanctions alone cannot achieve the desired policy goal, saying otherwise on a Sunday morning talk show amounts to overselling their potential and decreases the likelihood that sanctions will be implemented wisely in the future. Third, economic sanctions that serve particular interests are merely another form of protectionism, but this is rarely if ever admitted. It would help a lot if we stopped overusing, overselling, and suborning sanctions for parochial political purposes, for only through a realistic assessment of their capabilities and their limitations can economic sanctions serve the national interest.

Finally, though, it is worth reminding ourselves that the imposition of sanctions is often undertaken for reasons that have little to do with their prospects of success, and these reasons are not always frivolous or vain. The congressional habit of applying sanctions during the tenure of the present administration has been motivated, in part, to force a dilatory group of officials to pay more attention to certain serious issues. The President vetoed the Iran Missile Sanctions Act in June, claiming that the law could be counterproductive to a policy showing signs of working. But without the threat of such legislation lingering over the administration's head for most of the previous year, such a policy might never have been produced in the first place. Whether sanctions are flowers or weeds, they always rest in a bed of politics. □