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How Smart are Smart Sanctions?

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Smart Sanctions: Targeting Economic Statecraft. Edited by David Cortright and George A. Lopez. New York: Rowman & Littlefield, 2002. 276 pp., $72.00 cloth (ISBN: 0-7425-0142-6), $27.95 paper (ISBN:0-7425-0143-4).

For over a decade, the comprehensive trade sanctions against Iraq have hung like a millstone around the practice of economic statecraft. Scholars and policymakers alike recognize that the sanctions have had a devastating humanitarian impact on the Iraqi population. Yet the sanctions have failed to coerce the Iraqi regime into full compliance with the requisite UN Security Council resolutions. At the same time, the United Nations has relied heavily on this tool of statecraft over the past decade, imposing sanctions fourteen times since 1990. In his 2002 Nobel lecture, Jimmy Carter said that nations must "strive to correct the injustice of economic sanctions that seek to penalize abusive leaders but all too often inflict punishment on those who are already suffering from the abuse." This presents a challenge: is there any way to accommodate the rising demand for multilateral sanctions while minimizing the humanitarian costs such policies create?

Enter David Cortright and George Lopez. Under the auspices of the University of Notre Dame's Fourth Freedom Forum, Cortright and Lopez are responsible for a healthy fraction of the recent scholarly work on economic sanctions (Cortright and Lopez 1995, 2000, 2002). Their latest effort, *Smart Sanctions: Targeting Economic Statecraft,* examines the prospect of smart sanctions: measures that are tailored to maximize the target regime's costs of noncompliance while minimizing the target population's suffering. In its eleven chapters, this edited volume reviews the various types of smart sanctions and their implementation by the United Nations, the United States, and the European Union. It will likely serve as the definitive resource on the subject for some time.

The logic behind smart sanctions is that for economic coercion to work properly, it is necessary to understand the domestic political economy of the targeted state. Most of the sanctions literature argues that as the costs imposed on the target economy increase, so will the likelihood of success. However, some scholars (Kaempfer and Lowenberg 1992; Kirshner 1997) argue that this formulation is too simplistic. What matters is not the target's gross economic damage, but whether the target government and its key domestic constituencies feel significant economic pain from noncompliance. Smart sanctions are designed to raise the target regime's costs of noncompliance while avoiding the general suffering that comprehensive sanctions often create. Like precision-guided munitions, smart sanctions target responsible parties while minimizing collateral damage. Examples include asset freezes, travel bans, and arms embargoes—measures that stand in stark contrast to the comprehensive trade ban against Iraq.

Are smart sanctions more efficient? At first glance, the answer seems to be "no." Cortright and Lopez's introductory chapter reviews the fourteen UN sanctions episodes since 1990. They note "even with this small number of cases, the obvious conclusion is that comprehensive sanctions are more effective than targeted or selective measures. Where economic and social impact have been greatest,

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political effects have also been most significant" (p. 8). Kimberly Elliott, in her chapter on the effects of smart sanctions, is equally glum: "With the exception of Libya, the results of UN targeted sanctions have been disappointing" (p. 171). Nor does the exemplar case of smart sanctions—those imposed on Yugoslavia between 1998 and 2000—fill one with confidence. The 1999 NATO bombing of Serbia probably had more to do with Milosevic's ouster than any use of economic statecraft.

Perhaps such a quick dismissal of this policy innovation would be premature, however. The main chapters of *Smart Sanctions* make it clear that one reason targeted economic statecraft failed in the 1990s is that most states and international organizations lacked both the experience and the institutions necessary to properly implement smart sanctions. R. Richard Newcombe's chapter bluntly points out that most other countries, including the rest of the G-7, have neither the statutory authority nor the bureaucratic resources to effectively implement financial sanctions. As the head of the US Office of Foreign Assets Control, the government agency tasked with implementing financial sanctions for the United States, Newcombe is clearly speaking from experience. Multilateral sanctions are only as strong as their weakest link. If other countries and international organizations implement the necessary reforms, perhaps smart sanctions can come into their own.

Limited grounds for optimism emerge as one reads farther. Four scholars affiliated with Brown University's Watson Institute, in their chapter on financial sanctions, cannily point to the effective G-7 effort to punish countries tolerant of money laundering as a harbinger of what effective smart sanctions can accomplish. Likewise, Anthonius W. de Vries, in his chapter on EU sanctions against Yugoslavia, highlights the European Union's learning experience, and the institutional steps it has taken over the past decade to implement targeted sanctions.

The United Nations has also moved up the learning curve in an effort to impose smarter sanctions. In the case of arms embargoes, special investigative panels were put in place to name and shame actors that violated the sanctions put in place against Rwanda in 1994 and against the UNITA faction in Angola. These panels were unusually candid in their judgments, helping raise awareness about the arms embargoes. Richard Conroy's chapter on travel sanctions points out that when the Security Council threatened a flight ban on Sudan in 1996, it was "the first instance in which the Security Council attempted to assess the likely impact of sanctions before imposing them" (p. 160). Most of the contributors to the book proffer suggestions for further reforms.

Unfortunately, even if the implementers of smart sanctions become more sophisticated, smart sanctions are still likely to be a noble failure. The contributors to *Smart Sanctions* acknowledge some of the reasons for this, but not all. For example, the case studies show that smart sanctions still impose significant costs on a target state's populace. Michael Brzoska notes that an arms embargo increases the costs of weapons procurement, leading "to a major shift in government spending priorities and a consequent reduction in the economic well-being of the general population in the targeted state" (p. 126). De Vries acknowledges that "financial sanctions probably caused the greatest negative impact on non-targeted sectors of Serbian society," with the sanctions triggering severe stagflation in the Yugoslav economy (p. 102). The flight ban also imposed greater costs on the Yugoslav opposition than on the Milosevic regime, leading the European Union to reverse course. Moreover, travel sanctions can disrupt the shipment of food and cold-storage medicine to war-torn societies. In short, all sanctions impose costs on innocents.

Likewise, when enacted through multilateral institutions, the tradeoffs between enhanced due process and effective enforcement suggest that smart sanctions cannot be imposed quickly or completely enough to bite. In the case of financial sanctions, for example, the Security Council usually gives potential targets a month before sanctions enter into force, giving these countries a window to minimize the damage smart sanctions can impose. As for shaming those actors violating sanction mandates, Brzorska concedes that, "the UN is not the best body for monitoring and verification. Because of its nature as a diplomatic institution, it is inclined to uphold very high standards of proof for allegations that imply misconduct by member states" (p. 137).

With one exception, the contributors also fail to acknowledge that even as sanctioning institutions move up the learning curve, so do targeted entities. Elliott does point out that, "with the increased discussion and use of targeted asset freezes in a number of recent cases, it seems likely that potential targets are already taking steps to protect themselves from any future sanctions" (p. 178). Similarly, over time the proliferation of arms production will erode the effectiveness of arms embargoes. Thus, even if the sanctions become smarter, so will the targets.

Stepping back, more serious theoretical problems with the concept of smart sanctions become clear. For example, the contributors' implicit theory of how sanctions yield results rests on shaky ground. Smart sanctions could lead a target regime's supporters to pressure the government to acquiesce, but the authors fail to acknowledge alternative scenarios. Even with smart sanctions, a target regime may shift the costs to its domestic opponents. Similarly, embargoes targeting a coterie of the regime's supporters may merely reinforce group cohesion rather than weaken support for the government.

A more serious problem is the underlying assumption that all sanctions episodes will play out like the Iraqi case. If the goal of sanctions is containment, then a smart sanctions approach might make sense. If the goal is to compel a change in the target's behavior, then in the long run comprehensive sanctions might be the more humanitarian approach. Given that comprehensive sanctions impose more significant costs on the target state, they have the potential to induce quicker concessions than targeted embargoes. Skeptics would point to Iraq, but most scholars would acknowledge that that case is atypical in the sanctions universe.

Finally, the contributors fail to ask whether smart sanctions would have a better chance of achieving the consensus for multilateral action than comprehensive sanctions. At several junctures, the authors admit that when states disagree over the need to sanction the target state, multilateral action will be ineffective, regardless of whether the sanctions are targeted or comprehensive. Loretta Bondi notes that the arms embargo in Yugoslavia was ineffective because the United States tacitly permitted arms to reach Croatian and Muslim forces; the United Kingdom similarly condoned arms shipments to Sierra Leone despite an arms embargo in place there. When the United States proposed reforms to the Iraqi sanctions to make them smarter, the proposal ran into French and Russian opposition. This opposition was not based on the humanitarian concerns that targeted sanctions are designed to alleviate, but strategic and commercial interests in the region. This outcome renders Cortright and Lopez's concluding chapter on how to make the Iraq sanctions smarter seem anachronistic. The smartest sanctions in the world cannot overcome a lack of consensus about the target's actions.

In the book's foreword, Joseph Stephanides approvingly quotes UN Secretary General Kofi Annan: "It is not enough merely to make sanctions 'smarter,' the challenge is to achieve consensus about the precise and specific aims of the sanctions, adjust the instruments accordingly and then provide the necessary means" (p. x). The biggest flaw of *Smart Sanctions* is that it fails to heed all of Annan's advice.

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