
Conclusions and Policy Recommendations

Economic sanctions were deployed frequently in the 20th century—and far more often than we originally thought when we started this investigation almost three decades ago. Our previous two editions abstracted a number of lessons from the rich sanctions experience of sender and target countries. In this concluding chapter, we reassess the overall effectiveness of sanctions as a foreign policy tool based on additional evidence garnered from cases initiated during the 1990s—including some still in force in 2007—and offer updated policy recommendations for the sanctions practitioner in the 21st century.

Our original work posited “nine commandments” to guide government officials in the formulation and implementation of sanctions policies. These common sense rules often contrasted with the responses of major powers to international crises: In many cases, sender countries hastily imposed economic sanctions without adequately analyzing their potential impact, simply to slake the public demand for action against foreign outrages. Our prescriptions reversed the standard *modus operandi* prevailing in the 1970s and 1980s, namely shoot first and ask questions later. We look back now with some gratification that our initial findings contributed to a rethinking on how sanctions are deployed and a reappraisal of the once conventional wisdom that “sanctions never work.”¹

1. By compiling the first comprehensive international database on economic sanctions, we provided the foundation for scholarly articles and PhD dissertations that addressed in more detail specific case studies or more focused aspects of the use of sanctions. Several of these works also contained useful comments and critiques of our previous methodology and analysis, which we have answered and incorporated in this third edition.

That said, however, we must report mixed results in the application of our policy recommendations, based on the sanctions experience since our first edition was published in 1985. Some of the lessons from our research have become ingrained in the deliberative process of national governments and international institutions, including the United Nations. Advance planning for the imposition of sanctions is now the norm. Other “commandments” have required modification in light of rapidly changing conditions in world markets and the differing geopolitical circumstances in which sanctions have been applied since the end of the Cold War (as discussed in chapter 5). Sanctions now are often deployed amidst civil strife, where central government authority is fragile or fragmented. Instead of being targeted at the presidential palace, in recent years sanctions have often been aimed at dissident factions (witness the recent sad history of Somalia and war-torn West African nations). Finally, and regrettably, still other “commandments” have been ignored or violated. Despite more diligent forethought preceding the imposition of sanctions, governments continue to give short shrift to exit strategies for the unraveling of sanctions and compensation for the collateral damage that sanctions inflict on domestic firms and neighboring countries. Post-sanctions planning is still deficient, as clearly evidenced in Iraq and Haiti.

As a result, we have reconstructed our policy recommendations to respond to the new challenges confronting the practitioner of this not-so-subtle form of statecraft. While some progress has been made in tempering and refining sanctions policies, governments are still prone to misjudging the economic and political impact of sanctions. Reflecting the historical learning of the past two decades, our original nine “commandments” can now be compressed. Some lessons from past sanctions experience need to be repeated and others revised to reflect the changing political and economic environment in which sanctions operate in the 21st century.

The first and second editions of *Economic Sanctions Reconsidered* offered nine “commandments” to policy officials. In this third edition, we instead offer seven “recommendations.” Some of our prior lessons have been consolidated and rephrased in light of almost two decades of experience. More importantly, in light of the uncertainties of diplomacy, reflected in our statistical analysis (appendix A), we think that it is better to express lessons less insistently than conveyed by the term “commandments.”

In this concluding chapter, we address the central, albeit multifaceted and highly subjective, question: “Do sanctions work?” We base our answers on 174 case studies encompassing 204 observations in our dataset (some cases have more than one target or policy objective or have distinct phases over an extended period).² As in previous editions, we discuss

2. By comparison, the second edition of this study covered 116 cases, including measures against Iraq, which were just being implemented prior to the first Gulf War when that volume went to press (Iraq was not included in our previous statistical analysis).

both *whether* sanctions are effective in contributing to the achievement of foreign policy goals and *when* (or under what conditions) sanctions policies are most effective. We then consolidate our findings in concise recommendations for improving the use of the “economic weapon.”

Before doing so, however, we should restate what exactly we are grading—in other words, which of the multiple purposes of sanctions are being judged when we grade success or failure. This is not so simple, since sanctions may be intended to demonstrate resolve both at home and abroad, to express outrage, to punish, to deter future wrongdoers, and to change current policies in the target country. Sometimes the primary purpose of the sanctions is to slake the thirst of domestic constituencies for action, symbolic or otherwise, rather than to change foreign practices; other times the purpose is not to change the status quo but to deter future misdeeds by the target or emulation of the proscribed practice by others. Further complicating the story, sender countries usually pursue more than one goal, and the goals often evolve over time.

As in prior editions, we focus on the effectiveness of sanctions in coercing the identified target country to conform to the sender’s demands: in other words, the achievement of the avowed foreign policy goals. Moreover, in assessing effectiveness, we emphasize the most ambitious goal in each phase of a sanctions campaign.

As one sanctions scholar has observed, “Compellant purposes of sanctions are the most difficult to achieve . . .” (Leyton-Brown 1987, 304), and many of the cases we have judged to be failures would be considered successes if measured against criteria other than coercion of foreign policies. A very recent probit study (Petrescu 2007) indicates that sanctions imposed against one party in a militarized conflict deterred (to a modest extent) not only the targeted party but also other similarly situated countries from engaging in new and different military conflicts in the next five years. Thus sanctions may “fail” in the episode at hand yet “succeed” (to a modest extent) in deterring future episodes. To illustrate additional possibilities of success, applying criteria different than our own, several prominent episodes that we rate as failures in coercive terms—Cuba, Haiti, the destabilization of the Saddam Hussein regime in Iraq, and dismantling of the North Korean nuclear program (so far)—clearly demonstrate US resolve (and sometimes the resolve of allies) and certainly punish the target populace. In other cases, the sanctions may be intended for symbolic or signaling purposes (e.g., Western responses to Chinese repression in Tiananmen Square in 1989), and the design may not be appropriate for coercive purposes. Nonetheless, we believe that a careful analysis of the factors contributing to the success of coercive sanctions is important and can provide insights to guide the use of sanctions in other circumstances as well.³

3. David Baldwin (1985) has argued the case for a broader definition of success in evaluating the utility of “economic statecraft.” Margaret Doxey (1987, 144) has emphasized the im-

Economic sanctions are typically only one weapon in a larger array brought to bear against the target. Most cases involve diplomacy to one degree or another. Some engage a full armory of diplomatic, economic, covert, and military forces—as in various phases of the US/UN campaign against Iraq. In these cases, sanctions may well be necessary, if only to reassure the home public in the sender coalition that all elements of society—business firms as well as troops and diplomats—are making sacrifices to attain the common goal. Indeed, in most circumstances a country cannot send troops, ships, or airplanes into hostile territory without preliminarily or simultaneously cutting off trade and financial relations.⁴

Thus we recognize that sanctions are often necessary in the broader political/military context. But we also try to assess sanctions against a more demanding sufficiency test: What was the extent of their contribution to the outcome in terms of altering policy in the target country? Of course, even if the sanctions made little or no contribution by this test, that does not mean it was a mistake to impose them. It only means that, in similar episodes, presidents and publics should not count on sanctions alone to achieve the declared objectives.

One final word of caution is in order. Forecasting the outcome of statecraft, like forecasting the stock market, is a hazardous business. As one might expect from a diverse collection of 174 cases, the statistical results are not clear-cut. Idiosyncratic influences are often at play. Human personalities and plain luck may well determine the outcome of a sanctions episode. Much depends on the kaleidoscope of contemporaneous world events and factors not captured by our variables. Hence our summary assessments and recommendations must be read as general indicators, not infallible guideposts, in the fine art of statecraft.

Are Sanctions Effective?

Overall, we found sanctions to be at least partially successful in 34 percent of the cases that we documented. However, the success rate importantly depended on the type of policy or governmental change sought. Episodes involving modest and limited goals, such as the release of a political prisoner, succeeded half the time. Cases involving attempts to change regimes

portance of identifying whether a goal is coercive or symbolic and of designing the sanction accordingly. Michael Malloy (1990) has taken a different tack, arguing that the effectiveness of sanctions should be judged against the immediate “instrumental” goal (denying goods, markets, or finance) and not confused with the effectiveness of the overall foreign policy that sanctions serve. In contrast to these scholars, our scoring is guided by the frequent declarations of presidents and prime ministers to the effect that the sanctions they impose will prompt the foreign adversaries to reconsider and amend their policies.

4. The civil wars in Somalia, Bosnia, and Kosovo and attendant mass slaughter of civilians illustrate the exceptions, as detailed in the relevant case evaluations.

Table 6.1 Success by policy goal

Policy goal	Success cases	Failure cases	Total	Success ratio (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
All cases	70	134	204	34

(e.g., by destabilizing a particular leader or by encouraging an autocrat to democratize), to impair a foreign adversary’s military potential, or to otherwise change its policies in a major way succeeded in about 30 percent of those cases. Efforts to disrupt relatively minor military adventures succeeded in only a fifth of cases where that was the goal. Table 6.1 summarizes the scorecard.

It is important to reiterate that we score sanctions episodes on a scale from 1 to 16 (see chapter 3, tables 3A.1 to 3A.5). By our standards, successful cases are those with an overall success score of 9 or higher (the success score is derived by multiplying the assigned policy result score by the sanctions contribution score, where 4 is the maximum index for each). We emphasize that a score of 9 does not mean that economic sanctions achieved a foreign policy triumph. It means only that sanctions made a modest contribution to a goal that was partly realized, often at some political cost to the sender country. Nor does a score of 8 indicate dismal failure. In fact, in all of the cases assigned a score of 8 and about a third of those scored as 6, the sender’s objective was at least partially achieved, but sanctions played only a minor role in reaching the outcome. In other words, our judgment in these cases is that sanctions did not contribute importantly to the sender’s goals. Yet in many cases, it is fair to say that sanctions were a necessary component of the overall campaign that focused primarily on the projection of military force.

Thus, in our view, the bald statement “sanctions never work” is demonstrably wrong. That said, there are several reasons why sanctions often do not “work.” First, sanctions are of limited utility in achieving foreign policy goals that depend on compelling the target country to take actions it stoutly resists. In some cases, the security, political, or other costs of complying with the sender’s demands may simply be higher than any pain that can be imposed with sanctions. In other instances, particularly situations involving small target countries and relatively modest policy goals, sanctions have helped alter foreign behavior. Even in those cases, how-

ever, sanctions may fail if the sender feels less intensely about the stakes involved than the target, since the sender may choose to impose sanctions that are too weak to achieve even relatively modest objectives.

Second, we classify some sanctions as failing to produce a real change in the target's behavior when their primary if unstated purpose—namely, demonstrating resolve at home, signaling disapproval abroad, or simple punishment—may have been fully realized. As one analyst has noted, when sanctions have been used primarily for domestic political or other rhetorical purposes, “[the imposition of] ‘effective’ sanctions [in an instrumental sense] were not a primary policy goal, and such sanctions were not imposed” (Malloy 1990, 626). This point is clearly illustrated by President George H. W. Bush's sanctions against China after the 1989 massacre in Tiananmen Square.

Third, sanctions sometimes fail because sender countries have cross-cutting interests and conflicting goals in their overall relations with the target country. Tensions among economic interests in the sender country that could either benefit or lose from a disruption in trade, finance, and investment often lead to tepid measures timidly imposed. Cross-cutting economic and security interests with the target regime complicate the construction of a sanctions package, leading to ambiguous signals of policy resolve and intent by the sender country.

Two examples illustrate this point. US sanctions against Iran under the Iran and Libya Sanctions Act of 1996 were constrained by the waiver of sanctions against European firms investing in Iranian oil and gas fields. As a result, Iran continued to have access to Western capital and oilfield technology, just not from US firms. In 1988 the Ronald Reagan administration attempted to impose sanctions that would force Manuel Noriega out of power without permanently damaging the Panamanian economy. Sanctions were imposed incrementally and then gradually weakened by a number of exemptions intended to spare the Panamanian economy. In the end, the sanctions proved inadequate to remove Noriega, and military force was applied.

Policy Recommendations: Using Sanctions More Effectively

In determining the role of sanctions in the overall response to foreign provocations, policymakers need to take a close look at both the vulnerability of the target country to prospective sanctions and the viability of maintaining the sanctions regime. The sender needs to understand how the target views the costs of complying with the sanctioner's demands. That in turn will determine whether sanctions can be designed that change the incentives facing the target sufficiently to compel different policies or behavior. In other words, the sender must evaluate the costs the target will incur by defying sanctions, reflecting the target's potential vulnerabilities

that arise from its existing economic and political situation, as well as the direct costs the sanctions themselves will impose. At the same time, the sender needs to consider whether a broader coalition of countries is needed to convey the appropriate political signal and economic punch and whether the sanctions regime can be sustained over time if the costs that sanctions impose on the sender's own firms and workers, as well as on innocent civilians and neighbors of the targeted regime, will ultimately erode political support for the overall policy.

The discussion below focuses on results using cross-tabulation tables that control for only one or two explanatory variables at a time. In addition, results from more sophisticated econometric analysis are mentioned below where appropriate and discussed in detail in appendix A, where we estimate the probability of a successful outcome in a given case based on the values of the explanatory variables included in the regression. This logit analysis, unlike the simple tabular analysis emphasized in this chapter, estimates the statistical significance of each individual variable in explaining sanctions outcomes, while controlling for other variables that also affect the outcome. For example, while we can observe a correlation in the data between success and the relative warmth of relations between sender and target prior to the imposition of sanctions, we would also like to know if that correlation remains statistically significant after controlling for the level of trade between sender and target.

The econometric results do not support the statistical significance of several of the individual factors that we believe to be important. However, they do support three broad conclusions discussed in more detail below: The relative difficulty of the goal sought is important; so too is the nature of the target regime and the sender's relations with it; and the economic costs imposed by sanctions on the target are among the more statistically significant and robust variables explaining sanctions, success and failure.

The importance of other variables that might be expected to affect the size of the economic and political costs imposed by sanctions varies across goal categories. Thus, international cooperation, offsetting assistance by a political rival, or the use of companion policies, such as military force, are used less frequently in episodes involving relatively modest goals and make little discernible difference to the outcome in those cases. Military force is an important variable in the military impairment cases, however, and international cooperation with the sender is present in far more successes than failures when the goal is a major one, such as the surrender of territory.

From our historical analysis, we now derive lessons on how to apply sanctions to maximize the opportunities for success. Careful attention should be given to who is targeted and how the sanctions regime is crafted. The dedicated practitioner of sanctions should choose the target carefully and tailor the measures imposed to their expected impact. Design

and implementation of sanctions are important, and the methods used in a particular episode should be matched to the results that the sender hopes to achieve.

It is clear that sanctions sometimes bear fruit but only when planted in the right soil and nurtured properly. We therefore offer seven propositions for the statesman who would act as a careful gardener. These recommendations are intended to maximize the chances of success when sanctions are deployed to coerce changes in the policies of a target country. The same advice is not necessarily optimal for achieving other goals, such as signaling resolve to allies or placating domestic constituencies.

Don't Bite Off More Than You Can Chew

Policymakers often have inflated expectations of what sanctions can accomplish. This is especially true of the United States today and was true of the United Kingdom in an earlier era. At most there is a weak correlation between economic deprivation and political willingness to change. The *economic* impact of sanctions may be pronounced, especially on the target, but other factors in the situation often overshadow the impact of sanctions in determining the *political* outcome.

Sanctions are seldom effective in impairing the military potential of an important power or in bringing about major changes in the policies of the target country. Of the 62 cases involving these high policy goals, success was achieved in 19 cases, or 30 percent of the time.⁵ This is not a bad record, given the high stakes for the target in these cases. Moreover, sanctions were often *necessary* to rally public opinion in the sender country. But they are seldom sufficient to achieve even a modest part of the objectives sought in the absence, or the threat, of force. In high policy cases, the costs of compliance for the target are high, both sender and target are intensely interested in prevailing, and the sender must be able to either threaten or impose unusually high costs on a defiant target in order to prevail.⁶ Not surprisingly, successful cases in these categories tend to involve above-average levels of international cooperation with the sender and much higher costs to the target than when sanctions fail. Trade between senders and targets is also 50 percent higher in successful cases than in failed ones.

Efforts to compel changes in target-country regimes also succeed in slightly less than one of three attempts, while efforts to disrupt relatively minor military adventures by targets against third parties are even less

5. We use the term "high policy goals" to refer only to episodes involving military impairment and other major policy change. Some authors have used the same phrase to refer to cases involving destabilization and disruption of military adventure as well.

6. Early in 2007 the United States added veiled military threats to long-standing sanctions to induce more cooperation from Iran, with respect to both the insurgency in Iraq and nuclear weapons. It remains to be seen whether the United States can achieve either goal.

successful (table 6.1). In the regime change cases, senders are on average far larger than their targets, and the average trade linkage is higher for this category than any other, so the problem does not appear to be one of inadequate potential leverage. Rather, in these cases, the costs of complying with the sender's demands are generally high, and the target is typically more intensely interested in the outcome than the sender. This divergence seems obvious when the demand is for the targeted government to give up power (in regime change cases) or desist from a military excursion deemed vital to its national security. The sender's goals in these cases are important but less critical to the sender than to the target. Thus, the incidence of military or other companion policies and the level of international cooperation are lower in these cases than in the high policy cases. Cases where the goal was disruption of a minor military adventure entailed lower than average costs being imposed on target countries, and these cases exhibited the lowest odds of success.

When the goals are more modest, however—freeing a political prisoner, inducing a more friendly foreign policy, or protecting one's emigrants abroad—sanctions have a far higher chance of contributing to successful outcomes (51 percent on average versus 30 percent in all other categories). Companion policies are seldom used in these cases, international cooperation is typically not sought, and the average costs imposed on the target are lower than in other cases. But the costs imposed in successful cases are twice as high as the costs in failure cases.

Friends Are More Likely to Comply than Adversaries

While this advice may sound like blasphemy to diplomats, the evidence suggests that 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. To be sure, cordial target countries may be less likely to face the threat that a dispute will be escalated or that force will be used, but they are more likely to receive foreign aid or to have extensive trade and financial relations with the sender country.⁷ All these economic ties are at risk in a sanctions episode. Furthermore, an ally of the sender will be a less likely candidate for offsetting assistance from black knights and will be less willing to accept assistance if offered.

7. In general, such considerations may not be decisive in the calculus of an antagonistic target country or a target country that has little economic contact with the sender. Moreover, while oil-exporting countries might seem vulnerable because of their extensive economic ties with the United States, the European Union, and Japan, unilateral sanctions against those targets have had little impact because oil is fungible and the market global.

Table 6.2 Success and prior relations, by policy goal**a. Prior relations index**

Policy goal	Success cases	Failure cases
Modest policy changes	2.3	2.0
Regime change and democratization	2.6	2.1
Disruption of military adventures	2.3	1.9
Military impairment	1.6	1.7
Other major policy changes	2.5	1.9
All cases	2.3	2.0

Note: The *prior relations* index, scaled from 1 to 3, measures the degree of warmth, prior to the sanctions episode, in overall relations between target and sender countries. 1 = antagonistic; 2 = neutral; 3 = cordial.

b. Success rates by policy goal and prior relations (percent)

Policy goal	Cordial	Neutral	Antagonistic
Modest policy changes	50	68	13
Regime change and democratization	46	22	15
Disruption of military adventures	20	33	0
Military impairment	50	10	40
Other major policy changes	56	29	0
All cases	46	33	19

The higher compliance with sanctions by allies and trading partners reflects their willingness to bend on specific issues in deference to the overall relationship with the sender country. In addition, allies will not be as concerned as adversaries that concessions will undermine the government's reputation and leave it weaker in future conflicts.⁸ Sanctions may succeed more often against friends than foes, but a word of caution must be inserted: The preservation of political alliances and economic ties should be equally important to prospective senders as to intended targets.

We quantified the warmth of preepisode relations between sender and target countries by means of an index scaled from 1 (antagonistic) to 3 (cordial). Table 6.2, which reports the average prior relations index in successful and failed cases in the top panel, indicates that, for four of the five categories of sanctions goals, preepisode relations were warmer in successful than in failed cases. Not surprisingly, however, when the sender's goal involved military impairment, prior relations were relatively more antagonistic toward all the targets involved.

8. See Drezner (1999, especially pp. 4–6) for detailed analysis of this argument and Mastanduno (2000, 298–99) for an alternative analysis.

Table 6.3 Average trade linkage, by policy goal and success score (percent)

Policy goal	Success cases	Failure cases
Modest policy changes	23.1	18.4
Regime change and democratization	42.5	37.8
Disruption of military adventures	21.5	29.6
Military impairment	36.9	21.2
Other major policy changes	33.8	24.3
All cases	33.2	29.1

Note: *Trade linkage* equals the average of presanction target-country exports to the sender country as a percent of total target-country exports and imports from the sender country as a percent of total target-country imports.

Table 6.2 probes these issues further in the bottom panel by breaking out the cases by goal and by warmth of the presanction relationship. Only 19 percent of the observations involving adversarial relations between sender and target achieved any degree of success, and 7 of the 9 somewhat successful cases involved either military force or the threat of military action, including the two World Wars (Cases 14-1 and 39-1), air strikes against Libya (Case 78-8), and enforcement of the no-fly zones in Iraq after the first Gulf War (Case 90-1).⁹ When the goal of sanctions was anything other than modest (as defined here), barely 20 percent of episodes involving neutral or antagonistic relations between sender and target achieved any degree of success. By contrast, the sender was more than twice as likely to achieve some degree of success in cases where prior relations were cordial.

Higher levels of trade between senders and targets, calculated as a share of the target's total trade, are also associated with successful outcomes but less strongly than the broader prior relations index (table 6.3). The trade linkage variable is also positively associated with successful sanctions in the econometric analysis, but it is seldom statistically significant. We measured trade linkage by first evaluating the target country's merchandise imports from the sender expressed as a percentage of the target's total imports, then evaluating the target country's merchandise exports to the sender expressed as a percentage of the target's total exports, and then taking the average of the two figures. By this measure, the average trade linkage is lowest when goals are relatively modest and highest when senders seek regime change, but there is little apparent difference between successful and failed cases. In cases involving military disruption attempts, the average linkage is actually higher in the failed cases. Substantially higher

9. There are two targets and two goals for each in the World War II case (39-1), accounting for 4 of the 7 observations.

Table 6.4 Success and regime type, by policy goal**a. Regime type in the target** (index)

Policy goal	Success cases	Failure cases
Modest policy changes	2.2	1.7
Regime change and democratization	1.9	1.5
Disruption of military adventures	1.8	1.9
Military impairment	1.2	1.7
Other major policy changes	2.3	2.0
All cases	2.0	1.7

Note: The *regime type* index is 1 for autocracy, 3 for democracy, and 2 for the intermediate type, "anocracy."

b. Percent of cases scored as successes

Policy goal	Autocracy	Anocracy	Democracy
Modest policy changes	39	50	69
Regime change and democratization	23	28	78
Disruption of military adventures	33	11	25
Military impairment	37	50	0
Other major policy changes	9	67	29
All cases	28	34	47

trade linkages between sender and target are associated with a higher probability of success only in high policy cases.

Beware Autocratic Regimes

It is hard to bully a bully with economic measures. The evidence from the cases suggests that democratic regimes are more susceptible to economic pressure than autocratic ones and that economic weakness and political instability in the target country can make it still more vulnerable, but the evidence on this last point is weaker than expected. Both regime type and "economic health and political stability" are measured as three-level indices, where 1 indicates autocracy or weakness and instability and 3 indicates democracy or strength and stability.¹⁰ Tables 6.4 and 6.5 report the average indices for both successful and failed cases, as well as more detailed results on the success rate by goal and by the level of each index.

10. The regime type variable is based on the more detailed Polity IV data. With respect to economic health and political stability, we also experimented with data on economic growth, inflation, and the Polity IV data on regime stability; see chapter 4 for a brief discussion of those results.

Table 6.5 Economic health and political stability, by policy goal and success score (index)

Policy goal	Success cases	Failure cases
Modest policy changes	2.0	2.4
Regime change and democratization	1.5	1.7
Disruption of military adventures	2.3	2.1
Military impairment	2.2	2.4
Other major policy changes	1.9	2.4
All cases	1.9	2.1

Note: The *health and stability* index, scaled from 1 to 3, measures the target country's overall economic health and political stability: 1 indicates weakness and instability and 3 indicates strength and stability.

On average, our data support the hypothesis that democracies are more willing to accommodate the sender's demands and that strong and stable countries are less vulnerable to coercion than weak ones. However, the results differ markedly by type of goal, and the econometric analysis provides only modest support for the conclusion that regime type matters. In table 6.4, when the goals are modest or involve regime change, success is more likely when the target is democratic than when it is not. In the lower half of the table, the success rates are almost always lower when targeting autocrats than others. Similar patterns hold with respect to these goals and the effects of economic health and political stability. The results for the cases involving disruption of military adventures or military impairment are either the opposite of what was expected or show no discernible pattern.

In the great majority of cases we have documented, the target country has been much smaller than the sender country. Considering the median value, the sender's GNP is nearly 105 times larger than the target's, and there is little correlation between the size of the gap and the odds of a successful outcome. Even when the ratio between the sender and target GNP is 10 or less, there is little difference in the odds of a successful outcome when compared with the sample as a whole.

Because senders are almost always far larger in economic terms than their targets, relative size is not very helpful in predicting success in the majority of cases. It does not make much difference whether the sender country (or coalition) is 10 or 200 times the size of the target. Within a very broad range, the relative size of the target economy is less important than other factors that come into play, such as the goal sought, the warmth of relations between sender and target prior to the imposition of sanctions, and the economic impact of the sanctions (see below).

In sum, senders should not expect that sanctions will work as well against very large targets that are strong, stable, hostile, and autocratic.

The econometric results presented in appendix A modestly support the hypotheses that success is more likely against relatively democratic regimes, perhaps because dictators can better ignore the costs of defying sanctions, and that success is more likely when the sender's relations with the target are cordial than when they are antagonistic.

Slam the Hammer, Don't Turn the Screw

Political leaders value an incremental approach toward deploying sanctions to avoid immediate confrontation and to justify the subsequent use of force, if all else fails. Our analysis continues to stress the opposite: There is a better chance to avoid military escalation if sanctions are deployed with maximum impact. That was our conclusion in 1990 regarding Iraq¹¹ and is our policy advice in 2007 in the confrontation with Iran over its ambitions to develop nuclear weapons. Vigorously using the stick, however, does not mean that carrots cannot be part of the package as well (see box 6.1).

Relatively minor sanctions can serve symbolic purposes, but if the goal is to change policies or behavior in the target country, the economic costs imposed by sanctions clearly matter.¹² Excluding the three observations involving the UN sanctions against Iraq because they are extreme outliers, table 6.6 shows that the average cost to the target for all successful cases was 3.3 percent of GNP, nearly double the 1.6 percent of GNP in failures. When other major policy changes are at stake, the cost in success cases is far larger than for the sample as a whole, and it is nearly eight times the level imposed in failed cases. The economic costs imposed in military impairment cases seem surprisingly low but are still three times as high when the sender achieves some degree of success. The costs imposed when the goal is regime change are also, not surprisingly, quite high and are almost 50 percent higher in successes than failures. Only when the objective is the disruption of relatively minor military adventures are the economic costs lower for successes than for failures.

Elements of a sanctions episode that obviously affect costs are the type and the scope of sanctions chosen. As shown in table 6.7, broader sanctions have higher success rates on average. Cases in which financial, export, and import sanctions were all used, often comprehensively, were successful 40 percent of the time, versus 25 percent for trade controls (either export only, import only, or both), and roughly 20 percent for either export or import

11. Kimberly Ann Elliott, Gary Clyde Hufbauer, and Jeffrey J. Schott, "The Big Squeeze: Why the Sanctions on Iraq Will Work," Outlook Section, *Washington Post*, December 9, 1990.

12. See Mastanduno (2000) for an analysis of why the relationship between economic and political gain is not linear; also see Jentleson (2000, 131–32) for a discussion on how and why costs matter.

Box 6.1 Reinforcing the stick with carrots

When goals are ambitious, involving high stakes for both parties, sanctions must generally impose significant costs to have any chance of contributing to a positive outcome for the sender. Even then, however, the costs to the target of complying with the sender's demands are, by definition, high, and the costs of defiance related to the sanctions may not be high enough to change the target's behavior. In such cases, a deft manipulation of carrots might lower the costs of compliance enough that the target will be willing to make a deal. When extensive sanctions are in place, promises to lift them obviously become an important carrot, as with Libya and Muammar Gadhafi's decision to surrender, first, the suspects in the Pan Am bombing and then his programs for developing weapons of mass destruction (Cases 78-8 and 92-12).

Carrots can also be helpful in cases where maximum sanctions are politically infeasible, despite our recommendation to use the hammer rather than the screwdriver. For example, in both North Korea and Iran (Cases 93-1 and 84-1, respectively), US efforts to blunt nuclear weapons proliferation have been overshadowed by concerns of key allies about regional stability, energy security, commercial relations, and other competing goals. In these two cases, the United States has limited remaining economic leverage, because its own long-standing comprehensive sanctions against North Korea and Iran have cut off almost all commercial ties; meanwhile, key allies in Europe, Russia, China, and South Korea have been reluctant to impose their own stiff sanctions for a variety of reasons.

Particularly with respect to Iran (and previously Libya), the US Congress has repeatedly tried to use US economic leverage to coerce cooperation from those allies and is considering new legislation to further limit the executive branch's ability to waive third-party sanctions. This approach is extremely costly to US foreign policy and commercial interests and has never been effective.

In these and similar cases, the United States needs to retain the stick and continue to seek the cooperation of its allies in using sanctions in the face of intransigent targets. This was the objective of US diplomacy toward Iran at the G-8 Summit held in Heiligendamm, Germany in June 2007. At least in rhetorical terms, the G-8 members strengthened their resolve to use sanctions to deter Iran's nuclear ambitions. But in cases such as Iran, involving national security goals, sanctions seldom work as a stand-alone instrument. US policymakers must also be prepared to negotiate and to offer positive incentives as a means of inducing cooperation from targets. Sticks are needed to ensure that carrots do not become simply rewards for bad behavior, but negotiations themselves are a process, not a carrot.

Table 6.6 Average cost to target, by policy goal
(as percent of GNP)

Policy goal	Success cases	Failure cases
Modest policy changes	2.6	1.1
Regime change and democratization ^a	3.4	2.3
Disruption of military adventures	0.9	2.3
Military impairment ^a	2.1	0.7
Other major policy changes ^a	5.5	0.7
All cases	3.3	1.6

a. These averages exclude the three observations for Case 90-1: UN vs. Iraq, because the costs to target in that case are an extreme outlier.

Note: Negligible costs are valued at zero.

Table 6.7 Success by sanction type

Sanction type	Success cases	Failure cases	Total	Success frequency (percent)
Financial, export, and import	25	37	62	40.3
Financial	19	34	53	35.8
Export or import or both	10	30	40	25.0
Financial and import	2	8	10	20.0
Financial and export	5	23	28	17.9

sanctions used in conjunction with financial sanctions.¹³ Not surprisingly, the costs imposed in cases using all three categories of sanctions were twice as high, at 4.3 percent of GNP, as for the sample as a whole (calculated from the database and excluding Iraq from both samples).

Interestingly, financial sanctions were only slightly less effective than the triple combination, contributing to successful outcomes in nearly 36 percent of cases where they were used; they were also used more often than trade controls alone. Most of these cases involved the reduction of economic aid, sometimes in conjunction with reduced military aid or other public financial assistance. The interruption of private financial flows, such as bank loans or foreign investment, has been used far less often—though post-2000 cases against North Korea and Iran suggest sophisti-

13. Import controls alone have a 50 percent success rate, but there are only six such cases, and we would not put too much weight on such a small number. Why import controls might be more effective, as well as the legal constraints and potential risks in using them, are subjects discussed in chapters 2 and 4.

Table 6.8 Success and duration of sanctions episodes, by policy goal (average number of years)

Policy goal	Success cases	Failure cases
Modest policy changes	3.5	6.5
Regime change and democratization	5.4	8.0
Disruption of military adventures	1.3	6.1
Military impairment	6.2	11.7
Other major policy changes	3.7	9.8
All cases	4.4	8.4

cated interventions by the US Treasury may provide leverage on the target (see our discussion in chapter 5). In some cases, the denial of finance may compound the cost to the target country by inhibiting its ability to engage in trade, even without the imposition of formal trade controls.

Regime change is often the goal sought when financial sanctions are used alone. Moreover, the targets are, on average, less economically healthy and politically stable than in other episodes where sanctions are imposed (1.6 versus 2.1 on our 3-level index), and they have closer relations with the sender (2.4 versus 2.0 on our 3-level index). Under such conditions, the relatively modest costs imposed by manipulating aid might have disproportionate economic effects, or the target might be wary about alienating an important friend. In addition, these sanctions have the smallest immediate costs for the sender and may be easier to maintain than trade controls (see below).

When the goal in a sanctions episode is an ambitious one, the speed and decisiveness with which sanctions are imposed can also affect the outcome. Sanctions imposed slowly or incrementally may simply strengthen the target government at home as it marshals the forces of nationalism. Moreover, either the sender's own firms or foreign competitors are likely to undercut such measures over time. Sanctions generally are regarded as a short-term policy, with the anticipation that normal commercial relations will be restored after the crisis is resolved. Thus, even though popular opinion in the sender country may welcome the introduction of sanctions, the longer an episode drags on, the more public support for sanctions dissipates. This is particularly true for sanctions imposed by a coalition of sender countries, where views regarding the importance of the objective may not be shared equally.

The cases we have documented show a clear association between the duration of sanctions and the waning prospects of success (table 6.8). The impact of sanctions may be less than expected because either the sanctions take too long to bite or their bite loosens too soon.

However, the passage of time alone does not undermine economic sanctions. Other factors are correlated with the length of an episode. Episodes between erstwhile allies are generally short, to the point, and often successful, lasting on average four years versus over eight years for cases where relations between the sender and target are less than cordial prior to the imposition of sanctions. The length of sanctions episodes is also highly correlated with the presence of offsetting assistance from another major power, with the average “black knight” case lasting more than 13 years versus under six years in cases where no such assistance is provided. This difference underscores how causality between the length of an episode and the probability of success or failure goes in both directions: Sanctions that do not end quickly are more likely to attract a black knight to assist the target, but such assistance also erodes the chances of success and, given the reluctance of most senders to admit failure and lift sanctions, contributes to episodes that drag on indefinitely.

In any event, the inverse relationship between success and the duration of sanctions argues against a strategy of “turning the screws” on a target country, slowly applying more economic pressure over time until the target succumbs. Time affords the target the opportunity to adjust: that is, to find alternative suppliers, build new alliances, and mobilize domestic opinion in support of its policies.

The lesson that sanctions imposed quickly and decisively are more likely to succeed can pose a dilemma, however. When the goal is ambitious, especially involving the target’s national security, decisive sanctions usually require multilateral cooperation, if not from the UN Security Council, at least from the industrial democracies. However, ensuring multilateral cooperation takes time to arrange and often is not achievable. Quick UN sanctions against Iraq in 1990 were a notable exception; more typical was the measured and indecisive international reaction to the Indian and Pakistani nuclear weapons tests in 1998, which was subsequently repeated when Iran ventured down the same path.

More Is Not Necessarily Merrier

A large coalition of sender countries does not necessarily make a sanctions episode more likely to succeed. International support for a sanctions policy can strengthen the political signal and economic threat, but it also can hurt chances of success by diluting the scope and impact of the common sanctions in the process of securing agreement among the senders.

In general, 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. An observation on military alliances made by the great 19th century Prussian strategist Field Marshal Count Helmuth Von Moltke applies equally well to 21st century sanctions. Von Moltke held:

A coalition is excellent as long as all interests of each member are the same. But in all coalitions the interests of the allies coincide only up to a certain point. As soon as one of the allies has to make sacrifices for the attainment of a large common objective, one cannot usually count on the coalition's efficacy. Coalitions never readily perceive that the large objects of a war cannot be attained without such sacrifices. (Quoted in Hughes 1993)

The 1990 UN embargo against Iraq, which was unprecedented in its comprehensive coverage and almost universal participation, was the exception that proves the rule. Few cases provide the glue for common action by raising such overriding security concerns as the invasion of one sovereign country by another and by threatening world oil supplies to boot, as Iraq did in 1990–91. Indeed, in the post–Gulf War period, when the central purpose of sanctions was to deprive Iraq of its nuclear, chemical, and biological weapons capability, the UN coalition progressively frayed and by 1999 showed major tears.

The idea that international cooperation is a necessary ingredient in all sanctions cases is also misplaced. A sender country looks to its allies for help when its goals are ambitious; in cases involving truly modest goals, cooperation may be helpful but not essential. These conclusions are borne out in tables 6.9 and 6.10, which compare successful and failed cases based on the extent of international cooperation achieved (as measured by our international cooperation index, with a maximum score of 4) and whether an international organization was involved.¹⁴ On average, there is no difference in the degree of international cooperation between successes and failures, and the relationship may even be negative in cases involving modest goals or demands for regime change.¹⁵ In cases involving high policy goals, however, international cooperation was markedly higher in successes than failures.

In high policy cases, international cooperation serves three useful functions: to increase the moral suasion of the sanction, to help isolate the target country from the global community psychologically as well as economically, and to preempt foreign backlash, thus minimizing corrosive friction within the alliance. However, pressing too hard to corral reluctant allies can have the perverse effect of undermining the impact of the sanctions, if multilateral agreement takes too long to achieve or requires watering down the sanctions imposed.

When pursuing high policy objectives, the inherent prospects for ultimate success through the use of sanctions alone are seldom bright, and

14. Involvement by an international organization could improve sanctions in at least two ways: by lowering transactions costs involved in organizing and implementing sanctions and by increasing the legitimacy and political weight of a sanctions companion. To isolate the latter, our variable indicates those cases where both sender and target were members of the international organization cooperating in a sanctions effort.

15. These findings modify the second edition, in which we reported that the relationship between international cooperation and the probability of success was negative on average.

Table 6.9 Success and international cooperation with sender, by policy goal (index)

Policy goal	Success cases	Failure cases
Modest policy changes	1.5	1.9
Regime change and democratization	2.0	2.2
Disruption of military adventures	2.5	2.2
Military impairment	2.9	2.4
Other major policy changes	2.5	1.8
All cases	2.1	2.1

Note: The extent of *international cooperation with sender*, on an index scale of 1 to 4, indicates the degree of assistance received by the principal sender country in applying sanctions. 1 = no cooperation; 2 = minor cooperation; 3 = modest cooperation; 4 = significant cooperation.

Table 6.10 Success and cooperation from an international organization, by policy goal (percent of cases)

Policy goal	Success cases	Failure cases
Modest policy changes	9	10
Regime change and democratization	24	25
Disruption of military adventures	50	47
Military impairment	22	10
Other major policy changes	30	22
All cases	21	22

Note: Involvement of an international organization is scored as 1 if both the sender and target countries are members of an international organization that supports the sanctions, and zero otherwise.

even high degrees of cooperation are often not enough to overcome the target's resistance. Without significant cooperation from its allies, a sender country will have difficulty achieving success in cases involving high policy goals. However, international cooperation does not guarantee success even in these cases, as evidenced from the long history of US and CoCom strategic controls against the Soviet Union, the Arab League's futile boycott of Israel, and the frustrated US/UN sanctions campaign to restore democracy in Haiti in the mid-1990s.

These observations, together with our statistical analysis, suggest that international attempts to force "cooperation," using the heavy hand of extraterritorial controls, will seldom yield desirable results. Sanctions should

Table 6.11 Success and international assistance to target, by policy goal (percent of cases in each category)

Policy goal	Success cases	Failure cases
Modest policy changes	9	10
Regime change and democratization	16	22
Disruption of military adventures	0	27
Military impairment	11	25
Other major policy changes	10	35
All cases	11	23

be either deployed unilaterally, because the need for one's allies is slight, or designed in genuine cooperation with one's allies in order to reduce backlash and evasion. In the latter cases, cooperation from an international organization can also be helpful, though not decisive. Table 6.10 shows that cooperation from an international organization in which both the sender and target are members is associated with a higher rate of success in the high policy categories.

On the other hand, active noncooperation by other countries can sabotage the effort by providing offsetting assistance to the targeted regime. This last point is significant. Too many cooks *opposing* sanctions can spoil the sender's broth. Adversaries of the sender country may be prompted by a sanctions episode to assist the target. Such opposition frequently occurred in episodes that either provoked or derived from East-West rivalry. In the post-Cold War world, the same forces have eroded US efforts to isolate Cuba, Iran, and Burma. Assistance extended by a black knight not only offsets the economic cost inflicted on the target country but also bolsters the target government's standing at home and abroad. Table 6.11 indicates that external assistance to the target country erodes the chances of sender-country success, particularly in cases where the policy goal is disruption of a military adventure or a high policy goal such as deterring the Soviet-supported forces of North Vietnam in the 1960s and 1970s.

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, quasi-military measures, or regular military operations. Indeed, in some cases, economic sanctions merely provided an interim governmental response until military action could be organized—as President George H. W. Bush admitted in his memoirs about the first Gulf War (Bush and Scowcroft 1998). The

Table 6.12 Success and companion policies, by policy goal (percent of cases)

Policy goal	Success cases	Failure cases
Modest policy changes	9	24
Regime change and democratization	36	29
Disruption of military adventures	0	33
Military impairment	78	35
Other major policy changes	40	57
All cases	31	34

aim of these “companion” measures is to strengthen pressure on the target and to increase chances of achieving the desired foreign policy outcome. As table 6.12 shows, companion measures are used most frequently in episodes involving regime change and high policy goals, but the effect on outcomes is marginal or negative, except in the case of military impairment, where most successful cases also involve military force or threats to use force. By contrast, companion policies are seldom used in cases involving modest policy changes.

The figures on success and failure in cases involving companion policies are somewhat misleading, since our methodology recognizes success only in cases where sanctions made a positive contribution to the policy outcome. In several cases counted as failures for the use of sanctions—for example, against Noriega in Panama (Case 87-1), against Iraq (Case 90-1), and against Haiti (Case 91-5)—the sender country achieved its goal, but military or covert measures swamped the impact of the sanctions. Nevertheless, the imposition of sanctions was often a necessary prelude to the use of stronger weapons. In such cases, leaders recognized early on that sanctions alone would not achieve the sender’s objectives; but a sanctions campaign amounted to the requisite “college try” before military measures could be unleashed.

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.

On average, the cost-to-sender index (scored from 1 to 4, with 1 representing a net gain and 4 a major loss to the sender) is slightly lower in successful than in failed cases (table 6.13). Not surprisingly, the costs that

Table 6.13 Average cost to sender, by policy goal and success score (index)

Policy goal	Success cases	Failure cases
Modest policy changes	1.7	1.9
Regime change and democratization	1.6	1.7
Disruption of military adventures	1.8	1.9
Military impairment	2.9	2.4
Other major policy changes	1.9	2.4
All cases	1.9	2.0

Note: The extent of *cost to sender* indicates on an index scale of 1 to 4 the degree of economic and political pain endured by the sender country in applying sanctions. 1 = net gain to sender; 2 = little effect on sender; 3 = modest welfare loss to sender; 4 = major loss to sender.

senders bear are generally insignificant in cases where the sender is less intensely interested in the outcome than in high policy cases, where average costs are higher. The relationship to successful outcomes in two high policy categories goes in divergent directions, however. It appears from the evidence that senders should be prepared to bear relatively high costs when military impairment is the goal but will want to avoid them when other major policy objectives are the goal, albeit not objectives that necessarily directly engage the sender's national security.

These results suggest that sender governments should design sanctions so as not to inflict concentrated costs on particular domestic groups. One example of actions to avoid, in all but extreme situations, is the retroactive application of sanctions to cancel existing contracts. Attempts to do so during the Soviet gas pipeline sanctions of the early 1980s created a strong backlash against the sender's policy by affected US firms and their European subsidiaries. Such actions not only leave the affected firms high and dry, with unsold inventories and excess capacity, but also sour those firms' chances of competing for future business. Such practical considerations prompted the US Congress in 1999 to pass legislation allowing the president to waive many sanctions under the 1994 Glenn Amendment to the Arms Export Control Act, which would otherwise have blocked US agricultural and other business contracts with India and Pakistan.

Although some analysts have argued that imposing a high cost on one's own economy sends a signal of seriousness, the intended signal may be quickly drowned out by a cacophony of protests from injured domestic parties. Efforts to extend sanctions extraterritorially will very likely produce the same effect abroad—in part due to "blocking statutes" that were introduced in the United Kingdom and elsewhere starting in the 1980s to legally block British firms from complying with US extraterritorial controls.

Conclusion: Look Before You Leap

Sender governments should think through their means and objectives *before* taking a final decision to deploy sanctions. Leaders in the sender country should be confident that their goals are within their reach, that they can impose sufficient economic pain to command the attention of the target country, that they can follow up economic sanctions with the threat or reality of military force or covert action as necessary, that their efforts will not prompt offsetting policies by other powers, and that the sanctions chosen will not impose insupportable costs on their domestic constituents and foreign allies. These propitious conditions arise less often than the leaders of major powers seem to imagine.

Although economic sanctions may be the best or even the only option in some cases where it is politically necessary to “do something,” not just any sanction will do: The sanction chosen must be appropriate to the circumstances. Senders usually have multiple goals in mind when they impose sanctions, and coercion is not always at the top of the list. Prudent leaders will carefully analyze the unintended costs and consequences before choosing a particular measure. Like a fine suit, sanctions should be carefully tailored to the shape of the objective. 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.