

# The Use and Effect of Unilateral Trade Sanctions

## Testimony of [Sidney Weintraub](#)

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before the Subcommittee on Trade Committee on Ways and Means, U.S. House  
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### Introduction

The Center for Strategic and International Studies recently completed a [three-part examination of the use of unilateral economic sanctions](#) by the United States. The project, which took place over an 18-month period, produced three publications which the Center believes are pathbreaking because they examine the use and effects of unilateral sanctions from many perspectives. The three publications, which are available from CSIS, are the following:

- Ernest H. Preeg, [Feeling Good or Doing Good with Sanctions: Unilateral Economic Sanctions and the U.S. National Interest](#). This book examines the use of unilateral sanctions by the United States in five countries - Burma (Myanmar), Cuba, China, Iran, and Vietnam - and quantifies the costs and benefits for the United States and the effects on the five target countries.
- Joseph J. Collins and Gabrielle D. Bowdoin, [Beyond Unilateral Economic Sanctions: Better Alternatives for U.S. Foreign Policy](#). The conclusion of this study is best summarized by the first sentence in the executive summary: "Nearly all unilateral sanctions fail nearly all of the time."
- Douglas Johnston and Sidney Weintraub, project coordinators, [Altering U.S. Sanctions Policy: Final Report of the CSIS Project on Unilateral Economic Sanctions](#). This publication contains an analysis drawing on the other two components and sets forth the policy conclusions of the steering committee for the project which was made up of distinguished Americans from a variety of occupations. The policy recommendations in my testimony today draw on this consensus document.

### Position on Key Issues

I wish to make clear at the outset of my testimony where I stand on the key issues before this subcommittee:

1. I support the substance of H.R. 1244, the "Enhancement of Trade, Security, and Human Rights Through Sanctions Reform Act." This position of support is explicit in the CSIS policy paper cited above.
2. I do not oppose the imposition of unilateral economic sanctions as a tool in the conduct of U.S. foreign policy, but instead am concerned that it is being used promiscuously and without adequate analysis of the effects on U.S. interests and on the target country.

3. As a general proposition, the research done for the CSIS study convinces all of us who participated in it that narrow, carefully targeted measures are superior to comprehensive unilateral economic sanctions, or CUES, to use shorthand.
4. In most cases, moreover, there are alternatives that are superior in their effectiveness and less costly than either CUES or narrower unilateral economic sanctions.
5. This position can be phrased succinctly: Continued engagement with offending states is superior to cutting off practically all economic and political relations with them, which is what CUES imply. Engagement does not prevent the use of targeted sanctions when these are deemed appropriate, but not as a first resort.

I intend in the remainder of this submission to the subcommittee to set forth the reasoning that leads to these conclusions. One way to do this is to demonstrate that U.S. sanctions measures often lead to outcomes that when dissected cold-bloodedly are contrary to the overall national interest. I will also add some additional policy recommendations that stem from the work done at CSIS.

### **Actions that Deny Common Sense**

The United States has instituted many sanctions that would not normally be supported by a majority of the U.S. public if the presentation were less in anger and more in terms of potential accomplishments.

- We know from experience that comprehensive economic sanctions inflict the greatest hardship on the poor and already downtrodden population in nations against which they are imposed. The pope made this point after his visit to Cuba in January 1998; this result is the central theme of a book by Elizabeth D. Gibbons, *Sanctions in Haiti: Human Rights and Democracy Under Assault* (CSIS, 1999). I assume that U.S. public opinion does not favor this outcome, especially when the principal foreign policy objective is not achieved. This point has now been recognized by the president in forswearing the withholding of food and medicines when imposing sanctions.
- A policy which isolates the United States from its closest allies must surely be evaluated as counterproductive, yet this is exactly what the use of secondary boycotts has accomplished in Cuba. When the issue of extraterritoriality was subjected to a vote in the United Nations General Assembly on October 26, 1998, only one country - Israel - supported the United States.
- It is hard to justify punishing U.S. businesses for the benefit of foreign competitors, yet that is precisely what takes place in case after case when sanctions are imposed unilaterally. In such cases - which are the norm - the sanctions have clearly failed because the products or services prohibited to U.S. exporters are supplied by exporters from other countries.
- It can hardly be a goal of U.S. foreign policy to make the United States look ineffective, but that is precisely what is accomplished when sanctions fail to achieve their foreign-policy objective.
- Finally, it can hardly be wise to subordinate all foreign-policy objectives in a given country to a single offense - unless that offense is particularly grave. Yet, that exactly what occurs in many sanctions cases.

The conclusion of the CSIS examination is that these outcomes are common, even as the main foreign policy objectives are not achieved. This is why I support H.R.1244. This legislation would call for procedures to analyze the effects of sanctions on both the United States and the target country and provide the calm to determine whether the foreign-policy purpose is likely to be accomplished before the sanction is imposed. There are times when speed is essential and it is my understanding that the proposed legislation permits this when necessary.

I wish to emphasize that the purpose of economic sanctions is not to punish a foreign population as an end in itself, but to bring about some change in a country's policy. Most U.S. sanctions are imposed against nondemocratic regimes and the majority of the population in these countries suffers enough in these circumstances without our adding to the burden.

The Congressional Budget Office, in a report prepared recently (issued in March 1999) for the House International Relations Committee, concluded that the size and flexibility of the U.S. economy minimized the cost of unilateral sanctions for the economy as a whole, especially when the sanctions are imposed against countries with small economies. The CSIS publication, [\*Altering U.S. Sanctions Policy\*](#), contains a conclusion similar in one respect but divergent in another: "The resulting costs of lost export sales and/or the inability to invest in any given case may be high to individual companies and specific industrial sectors but are generally modest when measured against the totality of the U.S. economy." (p. 6)

My problem with the CBO report is that it largely ignores damage that can be done to specific companies. It fails also to take into account that the inability to participate early in some activities in sanctioned countries can build in a long-term bias against U.S. suppliers, as occurred in the generation of atomic energy in China. And when U.S. companies are precluded from oil investment in Iran or the development of natural gas in Burma while competitors are not, alternative investments may not be readily available to the U.S. companies.

### **Policy Recommendations**

Many of the recommendations in the CSIS policy paper emerge logically from the foregoing discussion:

- When sanctions are imposed, the primary target should be the leaders responsible for the offensive action and not the general population.
- Essential foodstuffs and medicines should not be cut off.
- In order to avoid turning business over to foreign competitors, and to make the action more effective, multilateral rather than unilateral sanctions should be sought - although this is not easily accomplished.
- A careful assessment of the effects in the United States - including on particular businesses and communities - and in the target country should be made before sanctions are imposed. This is the essence of H.R.1244.
- Extraterritorial application of sanctions should be avoided.
- And foreign policy objectives, not domestic politics, should be paramount when sanctions are imposed.

The overarching recommendation is that U.S. policy in the face of most grievances should be based on engagement and not isolation from the offending country. There may be grievances so severe where this would not apply, but these generally will be cases in which multilateral measures are possible, e.g., in the economic sanctions against Iraq. Engagement means that CUES should not be used, but does not preclude narrow or targeted sanctions.

Additional policy suggestions include the following:

- More effective coordination is necessary between the executive and legislative branches in the consideration of sanctions measures.
- The use of carrots, or non-threatening actions, may be preferable to punishing measures in many circumstances.
- Better advance intelligence is essential so that assessment of the results of U.S. actions, whether positive or punitive, can proceed rapidly.

- Sanctions should be targeted as narrowly as possible so that compliance by the offending state can occur without undue loss of prestige.
- Punishment, when inflicted, should be proportional to the offense.
- Prefer the credible threat of sanctions to sanctions themselves.
- Finally, an effort should be made to take into account the reactions of U.S. allies before embarking on a path of sanctions.

The subcommittee was kind enough to give me a voice in its proceedings and I welcome that. My colleagues who worked with me on the CSIS sanctions project and I are prepared to provide additional information.

Thank you.