



ISSN: 0975-833X

REVIEW ARTICLE

THE LAW ANALYZE OF ECONOMICAL AND POLITICAL SANCTION AFFECTIONS ON  
TARGET COUNTRIES

\*Ali. Hatefi and Dr. Mohsen Izanloo

Faculty of Law Private Law, Islamic Azad University of Tehran Markaz, Iran

ARTICLE INFO

**Article History:**

Received 06<sup>th</sup> February, 2015  
Received in revised form  
06<sup>th</sup> March, 2015  
Accepted 19<sup>th</sup> April, 2015  
Published online 25<sup>th</sup> May, 2015

**Key words:**

Law, Sanction, Economy, Policy,  
International, Organization, Trade.

ABSTRACT

The economical and political sanctions that have been issued by western countries and outstanding international organizations had always lots of affections on the economical and political affairs of target countries and caused non-growth or defected growth for these countries. This essay in its sections has tried to give a comprehensive definition about sanction and its nature, to law analyze this fact that how the sanctions can be effective, to study sanction affections on economical and political affairs of target countries and the role of international institutions and at conclusion section in addition to give conclusion from noticed points in essay has also tried to give more topics for the next research about sanctions.

Copyright © 2015 Ali. Hatefi and Dr. Mohsen Izanloo. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

INTRODUCTION

International economic sanctions are often favored by nation states or by international organizations as a means of projecting power or influencing another government's behavior without resorting to military conflict. The utility of sanctions as an instrument of foreign policy is attested to both by their longevity as a staple of international diplomacy and by their growing popularity since the end of the Cold War. Historically, economic sanctions, which date back at least to the Megarian decree of Athens in 435 B.C., were used by Napoleon in the Continental System commencing in 1806, by Thomas Jefferson in the Embargo Act of 1807, and by the League of Nations against Italy in 1935. In recent times, the most encyclopedic taxonomy of sanctions episodes is that of Hufbauer *et al.* (1990), hereafter HSE, which records 116 cases since 1914. Following the collapse of the Soviet empire in 1990, there has been an acceleration of sanctioning activity that reflects their growing use by international organizations as well as by the one remaining world hegemony, the United States. The study of sanctions is, in essence, a part of the broader study of the mechanisms by which policy preferences in one nation or group of nations are transmitted to another, target, nation. How does a sender state, short of military intervention, bring about policy change in a target state? Clearly, economic pressure is one channel through which influence might be brought to bear on the international stage, others being diplomatic suasion and non-economic or cultural embargoes.

Economic sanctions include trade sanctions, i.e., restrictions on imports from or exports to the target country; investment sanctions, which include restrictions on capital flows to the target or, in some cases, mandatory disinvestment; and more narrowly-targeted, so-called smart, sanctions, such as freezing the offshore assets of individual members of the target nation's ruling elite, or travel bans on government officials and party cadres. In all cases, economic sanctions are supposed to work by imposing some kind of pain on the target country, and particularly on its ruling regime, which then alters its policies in order to comply with the sender's demands and thereby avoid further sanctions damage. Although welfare-reducing in aggregate, sanctions, like any other restriction on the flow of goods or factors between countries, have redistributive effects in both sanctioning and target countries. These redistributive effects are important in determining both the nature of the sanctions imposed by the senders and the impact of the sanctions on the target. In regard to the latter, an important distinction needs to be made between the economic impact and the political impact. While there is no doubt that embargoes or restrictions on flows of goods and capital impose welfare costs on the target economy, or specifically on identifiable groups within the economy, there is considerable uncertainty as to how such costs are supposed to translate into policy change in the target, especially policy change in the direction desired by the sanctioner. Galtung (1967) was one of the earliest sanctions scholars to note that sanctions are often followed by increased levels of political integration in the target country, the so called rally-around-the-flag effect that has captured the attention of many contributors to the sanctions literature. Thus Mayall (1984) writes that sanctions

\*Corresponding author: Ali. Hatefi,

Faculty of Law Private Law, Islamic Azad University of Tehran  
Markaz, Iran.

—frequently have perverse effects, creating out of the siege mentality a sense of national cohesion and determination to triumph in adversity that was previously lacking.... In such situations it is not uncommon for sanctions to increase popular support for the ruling regime in the target country [Mack and Khan (2000)]. Moreover, as Galtung (1967) observes, sanctions can be counterproductive by giving rise to a new elite in the target nation that benefits from international isolation. For example, Selden (1999) notes that, in the long run, sanctions often foster the development of domestic industries in the target country, thus reducing the target's dependence on the outside world and the ability of sanctioners to influence the target's behavior through economic coercion.

As far as the nature of the sanctions themselves are concerned, Galtung (1967) as well as several other theorists [Renwick (1981), Leyton-Brown (1987), Lundborg (1987), Tsebelis (1990)] have pointed out that sanctions are often imposed not for instrumental purposes, i.e., not to create the maximum pain for the target or to induce the target to comply with the sanctioner's demands, but for expressive or demonstrative purposes. For example, governments may impose sanctions in order to satisfy domestic groups within the sanctioning nations desirous of being seen to be —doing something about the target's behavior without necessarily incurring a significant cost in the process. Alternatively, sanctions might be implemented as a signal of resolve or to establish a reputation in the eyes of foreign allies and enemies alike.

The importance of expressive sanctions raises a prickly conundrum for the sanctions literature, namely, how to judge whether a particular sanctions episode was successful in attaining its goals and, more importantly, whether sanctions in general actually work. The answer, of course, depends on what is meant by —work. Of the 116 episodes documented by HSE, 34 percent are rated by the authors as successful in achieving their political objectives. For some scholars, with an eye to the expressive motives for sanctions, such judgment is too harsh. Thus Baldwin (1985) offers a broad conceptualization of sanctions success, arguing that even if sanctions do not coerce the target into changing its objectionable policy they nevertheless can be an effective projection of influence by attaching costs to the target's behavior or by enhancing the sanctioner's international reputation. Pape (1997, p. 97), by contrast, applies a much stricter definition of success, arguing that sanctions can only be deemed successful if the target country concedes to a significant part of the sanctioner's demands in the absence of any other internal or external pressures for change, i.e., there must be no other more-credible explanation for the target's change in behavior. Pape disputes HSE's finding, pointing out that, in almost all of the supposedly successful cases, there were other factors, such as military intervention, that contributed to the favorable outcome. According to Pape's definition of success, sanctions

by themselves brought about political compliance in less than five percent of the episodes in the HSE database Pape (1997) The literature on economic sanctions, a province of both economists and political scientists, has tackled all of the issues discussed above and many others. Not surprisingly, given the nature of the topic, the approach normally used in the literature

is that of political economy, and the present chapter follows in this tradition.

The remainder of the essay will be organized as follows. In section 2 this essay would try to give one answer to this question that how the sanction should be, in section 3 this essay would try to give one answer to this question that how the sanctions can be effective and the remainder of essay would talk about the economical and political sanction affections on target countries and the role of international political institution in sanctions. At the end of this essay the conclusion and new topics for more investigations will be presented.

## 2. The purpose of sanctions and how they should be?

Sanctions can be applied for a variety of reasons, including to punish or weaken a target, to signal disapproval, to induce a change in policy, or to bring about regime change. They can be imposed to try to avoid war or to pave the way to war. Domestically, they may be aimed at mollifying domestic pressure groups or giving the public the impression of decisive action but without any expectation that the target will suffer significant costs or change its behavior. In practice, those who apply the sanctions may have multiple objectives, although one objective may be of over-riding importance.

Similarly, the primary objective may be ambitious, such as US unilateral sanctions aimed at inducing a target to end its efforts to acquire weapons of mass destruction, as with Libya in 2003, or they may be relatively minor, as in 1999, with UN sanctions aimed at inducing Libya to hand over for trial two of its citizens suspected of involvement in the bombing of Pan Am flight 103 over Lockerbie. Negotiated regime change is an objective that is pursued relatively rarely, and sanctions tend to be used as part of a package of measures. This was the case in 1994 in South Africa, for instance, when apartheid gave way to majority rule.

With regarding to these examples now it is the time to analyze this fact that how the sanctions should be? The most important principles of issuing sanctions are as following:

Sanctions should:

- Be targeted to hit the regime rather than the people;
- include exemptions to minimize the humanitarian impact on innocent civilians;
- Have clear objectives, including well-defined and realistic demands against which compliance can be judged, and a clear exit strategy;
- Have effective arrangements for implementation and enforcement by all states, especially neighboring countries;
- Avoid unnecessary adverse impact on issuer country, economic and commercial interests. House of lords (2007) these elements indicate that the sanctions must be harsh to target country and guarantee the sanction issuer country benefits and interests and be somehow to make the target country to do what is pleasing for sanction issuer country that sometimes is not fair and is against the international rules and human rights. One of the most regretful facts is that some outstanding organizations such as UN do not

prevent sanction issuer countries of issuing the sanctions that are against the international rules and human rights.

### 3. How can the sanctions be effective?

This section deals with this lack of shared knowledge of sanctions by outlining a four-step process which has two main features. First, it goes beyond the measurement of sanctions by looking at the policy changes made by the targets. Second, it provides a common platform for policymakers to engage in the sanctions debate with a method for assessment which would be conducive to knowledge accumulation.

#### *Step 1: Placing sanctions within the overall sanction issuer country strategy*

The first step is placing sanctions within the broader foreign policy strategy. Sanctions are very rarely imposed in isolation from other foreign policy instruments and a proper understanding of what the sender intends to accomplish can provide essential insights to measure the effectiveness of sanctions. Placing sanctions within the larger context of the strategy used by the sender is of utmost relevance in determining their effectiveness. A foreign policy can be conducted by considering different methods which aim to influence other actors and achieve policy goals. To put it simply, actors can use diplomatic tools, offer incentives, impose sanctions and use force to determine the outcome of political processes in a desired way. In a strategy, defined as a plan to achieve a long-term aim, each foreign policy instrument can have a different relative weight. In other words, whereas sanctions could be the only significant action carried out by senders, sanctions can also be a marginal component of a strategy. In order to formulate credible expectations of sanctions, it is essential to have an idea of the role that sanctions play in the wider strategy.

#### *Step 2: Are sanctions coercing, constraining or signaling targets?*

Once the question of whether sanctions play a central or marginal role within a strategy is established, the second step is to define the logic of sanctions, i.e. the way in which they are expected to influence their targets. The sanction issuer country could use restrictive measures to coerce (change behavior), to constrain (limit behavior) and to signal (send messages/underline the importance of a norm) targets in foreign policy. The attempt to coerce involves persuading targets to implement policies desired by senders. The behavioral change should be a voluntary decision for targets, which means that compliance does not clash with their fundamental needs. In other cases, targets are sometimes asked to perform actions which would undermine their political survival, such as leaving power. In such cases, targets would not accept such imposition should they be given a choice. This would be the objective of constraining sanctions, as targets are not willing to do what senders ask them, so sanctions are imposed with the intention of simply making a target's life more difficult. Finally, sanctions also carry a crucial signaling element. The violation of a norm should be met with gestures in international politics, and sanctions are formidable tools for

such a purpose. Additionally, signaling sanctions permit communication with other international actors, such as domestic constituencies within US or EU Member States, other regional actors or specific groups within the targeted countries. Sanctions can predominantly be of a signaling nature when they do not impose a material impact because it is deemed that the economic burden would hit those whom the sanction issuer country intends to protect, which would undermine the very essence of targeted sanctions.

Coercing, constraining and signaling refer to how sanctions are supposed to influence targets; therefore, the three concepts can coexist within the same sanctions regime. For instance, this could be the case when there are different targets within the same sanctioning regime, so sanctions could aim to coerce some while constraining others, or because of the changing dynamic of sanctions, meaning that coercion could be more important in one phase of a crisis while constraining could become prominent in another phase. Acknowledging that a sanction case can be characterized by different phases is also important as sanctions could be used with greater flexibility. This means that sanctions, as a political tool, could be used and adjusted according to the evolution of a crisis and to the behavior of the targets, so they could be designed to coerce targets if the situation allows; however, if the targets are not willing to negotiate, sanctions can also be refined with a more constraining twist, before returning to a coercive approach if the targets change their attitudes. In addition, coercing, constraining and signaling could also be used to describe the whole strategy of the sanction issuer country.

#### *Step 3: Impact and cost*

The third step is to elaborate on the impact and the cost of sanctions. The first dimension refers to the material impact that restrictive measures has on targets. Impact can be direct, indirect and unintended: direct impact refers to the expected burden that sanctions create on targets; indirect impact refers to the harm, i.e. collateral damage, of sanctions (i.e. higher price of electricity, lower availability of medicines, etc.); and unintended consequences refer to the harm that senders had not considered when resorting to sanctions. The second dimension is the cost borne by the sanction issuer country to enforce sanctions. This aspect is often neglected in the literature, but the costs are important, both in strategic terms –Martin argues that if there is no cost, the action is not credible—and in absolute terms –i.e. the fact that a good deal is not defined in terms of the object bought, but rather by the price paid. The analysis for sanction issuer country should pay special attention to whether restrictive measures imply an uneven burden to be carried by sanction issuer country. In addition, the analysis of costs should also consider problems linked to the correct implementation of sanctions, including the emerging role of the Courts and evasion attempts.

#### *Step 4: The comparative utility of sanctions*

The fourth step is the consideration of the comparative value of sanctions –i.e. what could have been done instead of their imposition. This counterfactual exercise is important in order to enhance the assessment as it makes it possible to judge whether

sanctions were the best option available to senders. Assessment of any foreign policy action is conducted after an evaluation of the options available to policymakers, and this procedure should also be applied to the study of sanctions. Meghan O'Sullivan did this with her study of US sanctions, and this method could be extended to the study of other sanction issuer countries sanctions as well. Despite methodological weaknesses, this counterfactual exercise is instrumental in clarifying the quality of the contribution of sanctions to foreign policy strategies. In other words, did sanctions bring about effects that could have been caused by other foreign policy tools at a minor cost? The success of sanctions is far from an exact science; rather, it is a logical process of analysis and discursive elaboration. Success should be assessed based on the effects that sanctions had, as defined in Step 2. If sanctions are coercive, a change in the cost-benefit calculations of the targets, increasing the chance that they embark on a policy as desired by the sanction issuer country, would be the most favorable outcome. If sanctions are constraining, the growing costs for targets to pursue certain policies would be a positive outcome. If sanctions are signaling, favorable outcomes would include the projection of a positive image of the sanction issuer country to the rest of the world, the strengthening of a global norm and the indication that the crisis has escalated to a higher level of diplomatic confrontation. Francesco and Ivan (2013) This four -step process provides the analytical tools to compare scenarios across time and space, and only practical and actual examples demonstrate how this may work.

#### **4. Sanction and its affections on economical and political affairs of target countries**

This section first would look at the concept of economic sanctions and after that would analyze the role of political sanctions and organizations on target countries to figure out how can be effective on trade system and to understand that different countries and rganization would chose what kind of sanctions to impose them on target countries.

##### **A. Economic Sanctions**

Economic sanctions are "deliberate, government-inspired withdrawal, or threat of withdrawal, of customary trade or financial relations" according to Hufbauer *et al.* (2007). Countries impose sanctions in order to coerce other countries to change policies that they don't tolerate. Examples include stopping nuclear proliferation like in US v. Pakistan in 1999, coercing a change in foreign policy of another country like in US, Saudi Arabia v. Jordan, Yemen in 1990 when US and Saudi Arabia attempted to convince Jordan and Yemen to enforce the UN embargo on Iraq, or punishing another country. foreign policy like in Arab League v. Egypt in 1978 when the Arab League punished Egypt for signing a peace treaty with Israel. Attentively, countries can use diplomatic talks or go to war to coerce another country to change a policy. Political scientists are divided on why sanctions are chosen instead of other alternatives, but the general opinion seems to be that the domestic political environment in the sanctioning country is a far more important factor than the situation in the sanctioned country. In the United States, the Congress passes a law that imposes sanctions; however the President can sign an executive

order to impose sanctions without the Congress approval. Rules vary by country. The sanctioning country can cut exports to the sanctioned country (export sanctions), cut imports from that country (import sanctions), or they can cut development aid, cut loans, or freeze financial assets of that country (financial sanctions). A country rarely imposes a single type of sanction: For example, US v. Pakistan was a financial and export sanction, US, Saudi Arabia v. Jordan, Yemen was a financial and import sanction, and the Arab League v. Egypt was a financial, export, and import sanction. Sanctions are supposed to impose economic hardship on the country and make the government change its policies. This rarely happen, such a rare sanction was US v. Jordan that was lifted when Jordan reduced its exports to Iraq as required by the sanction issuer country. However, most often sanctions are lifted because the sanction issuer country. Change their policy goals and lifting the sanctions serves them better than keeping them in place. Such an example is US v. Pakistan: US lifted the sanction in 2001 because Pakistan became an ally in the war against terror and not because Pakistan gave up nuclear weapons. A similar reason why sanctions are lifted is because the sanctioning country changes its mind about the goal they want to accomplish with the sanction. The Arab League lifted the sanction against Egypt in 1983 and gave up punishing of Egypt after years of diplomacy and talks between the two parties.

There are many ways in which economic sanctions affect the population in the sanctioned countries. One of the most direct ways they affect health is through the lack of proper nutrition. Cuts in food imports lead to shortages in calories intake and to under nutrition which make children and other vulnerable groups such as the chronically ill more susceptible to tuberculosis, measles, and other infectious diseases (Gareld and Santana, 1997, Gareld, 1999). Increases in prices of food lead to poor nutrition during pregnancy that can have a negative effect on the baby (Gareld, 1999). These examples indicate that sanctions effects not only on economic and financial affairs but also on health and food affairs that this concept of sanctions is too harsh and fair.

##### **B. political institutions and sanctions**

Another focus of inquiry in the sanctions literature, most prevalent among political scientists, is the role of domestic institutions and politics in determining both the likelihood that sanctions will be used and the political outcome of sanctions. One of the most important aspects of domestic institutions is the nature of the political regime in both target and sanction issuer country, characterized as either democratic or non-democratic. The interest of sanctions scholars in regime type stems from the international relations literature on the so-called democratic peace, which is the theory that democratic dyads are less likely to enter into military conflict than non democratic or mixed dyads. one argument that is typically made in support of this theory is that democratic political competition reveals information about a country's level of resolve, thereby avoiding escalation of disputes into violent conflict Lektzian and Souva (2003). A further argument is that accountability of democratic politicians to large constituencies gives them a greater incentive to conduct successful foreign policies and protect their citizens from the costs of war Bueno

de Mesquita *et al.* (1999, 2003) Autocrats, by contrast, are less concerned with overall public welfare and are therefore more likely to lead their nations into military conflict. Bueno de Mesquita and Siverson (1995) find empirical evidence that engaging in war is hazardous to the survival in office of all types of leaders, but especially democrats.

Along similar lines, McGillivray and Smith (2000) argue that domestically accountable politicians incur costs in the form of reduced levels of public support if they fail to cooperate with foreign nations. Leaders who can be easily replaced by their electorates if they cheat on international cooperative arrangements can credibly commit to cooperate McGillivray and Smith (2005). Therefore the prospect of losing their jobs makes accountable leaders more trustworthy in the eyes of foreigners and fosters greater international cooperation. On the other hand, when replacing leaders is difficult, cooperation is less robust, which often leads to inter-state hostilities McGillivray and Smith (2000).

Moreover, as Bueno de Mesquita *et al.* (2003) point out; leaders of authoritarian states obtain support from narrow constituencies, with successive dictators normally relying on mutually exclusive groups of supporters. Consequently, leadership change results in different interests being represented, and policies are revised accordingly. Democratic leaders, however, must appeal to broader constituencies, the make-up of which does not change significantly with leadership turnover. As a result, it is unlikely that policies, including foreign economic policies, will change much with change in democratic leadership Major and McGann (2005). In an empirical study of trading relations, McGillivray and Smith (2004) confirm that the impact of leadership turnover on trade between democracies is much less pronounced than in the case of autocracies.

The democratic peace theory is by no means uncontroversial; however, with some scholars disputing both the logical basis and the empirical evidence for it.<sup>58</sup> Nevertheless, it has clearly been influential in the sanctions literature. Thus Lektzian and Souva (2003) and Cox and Drury (2006) investigate whether there is an analogous —economic peacel between democracies, i.e., whether democracies are relatively unlikely to use economic sanctions against other democracies. The same factors that encourage peace among democracies —a greater ability to send clear signals of resolve and a greater dependence of democratic politicians on successful policies —are expected to operate in the realm of sanctions Lektzian and Souva (2003) Both Lektzian and Souva's (2003) and Cox and Drury's (2006) results show that democracies impose sanctions more often than other regime types. Lektzian and Souva hypothesize that this propensity to sanction is due to the fact that the ruling coalitions in democracies encompass a greater variety of interest groups that need to be satisfied (2003). Trade sanctions are useful particularly to democratic governments as a device to justify protection for domestic industries while still professing commitment to a liberal trading regime Cox and Drury (2006). Cox and Drury add that democracies might choose sanctions over military action because non-violent measures generally attract less public attention and opposition.

At the same time, however, both Lektzian and Souva (2003) and Cox and Drury (2006) also find that democracies are more likely to sanction non-democracies than other democracies. Cox and Drury suggest that this result occurs because two of the most common reasons that democracies impose sanctions — to promote democracy and to punish human rights violations — apply largely to autocratic targets; democratic states, by definition, are usually not the ones guilty of abusing their citizens' political or human rights. Moreover, according to Lektzian and Souva (2003, p. 648), given the strong imperative for democratic leaders to pursue successful foreign policies, they will typically prefer to pick on non-democratic targets on the grounds that a democratic target —will take all necessary means to offset or counter the sanctions in an effort to continue providing a stream of public goods to members of its broad winning coalition.

The belief that democracies are more motivated than non-democracies both to use sanctions and to resist the demands of external sanction issuer country derives in part from Fearon's (1994) notion of audience costs. These are the costs in terms of forgone political support that are incurred by a nation's leaders when the public becomes disillusioned with their leaders' abilities. According to Fearon, a democracy, which faces high domestic audience costs, is always less likely to back down in a public confrontation during international rises than a non-democracy, whose audience costs are considerably lower and which consequently has greater flexibility to alter its policies in the face of foreign pressure.<sup>61</sup> It follows that a signal of resolve sent by a democratic target of sanctions will be more credible than one sent by an autocratic target, so that a potential democratic sanctioner, itself constrained by its own domestic political institutions to avoid foreign policy failures, is less likely to initiate sanctions against a democratic target Lektzian and Souva (2003). Galtung (1967) lends further credence to the relative resilience of democratic targets by pointing out that democracies have greater legitimacy and are therefore more likely than autocracies to rally their citizens around the flag of resistance to sanctions.

However, like its political counterpart in the democratic peace literature, the economic peace hypothesis is contentious. In particular, the claim that a democratic target is less likely to concede to sanctions than a non-democracy is rejected by many scholars. For example, Nooruddin (2002) argues that, precisely because democratic political leaders are compelled to take into account their public's preferences, it is probable that a democratic target government would agree to the sanctioners' demands in order to get the sanctions lifted and relieve the suffering of its constituents. Similarly, Bolks and Al-Sowayel (2000) show that democratic governments typically do not resist sanctions for long because of the resulting domestic political costs that their electorates would impose upon them. Much the same argument is proposed by Nossal (1999), who notes that political leaders in target nations who fail to alter their behavior in order to put a stop to the economic pain caused by sanctions risk being ejected from office.<sup>63</sup> By contrast, in non-democracies, Pape (1997) points out that unpopular ruling elites can often protect themselves and their supporters by shifting the economic burden of sanctions on to disenfranchised groups.<sup>64</sup> According to Bolks and Al-Sowayel

(2000), when the leadership of a state is concentrated in the hands of a few, the leadership is better able to implement countermeasures that insulate the government from the economic hardships caused by sanctions. Non-democratic and illiberal regimes find it especially easy to hold out in the face of damaging sanctions because they can —simply pass on the costs of the sanctions to the governed and rely on armed force to deter political opponents who are dissatisfied with policies Nossal (1999). 65 Moreover, pervasive nationalism often makes citizens of non-democratic states willing to endure considerable punishment rather than abandon policies that are seen to be in the national interest Pape (1997), Cortright and Lopez (2000) argue that —sanctions provide authoritarian governments with leverage to create a “rally-around-the-flag” effect as a means of suppressing domestic opposition. Damrosch (1993) contends that sanctions will almost inevitably benefit an autocratic regime because the regime will always be in a better position than the civilian population to control external transactions and the internal economy. In Damrosch’s view, the creation and enrichment of a criminal class that profits from trading bootleg or scarce goods means that even the most skillfully targeted sanctions will serve only to entrench the power of the ruling elite. Bolks and Al-Sowayel (2000) and Nooruddin (2002) present empirical evidence that sanctions imposed against autocratic targets are less successful than those imposed against democracies. Nooruddin (2002) draws the logical conclusion that sanctioners are therefore more likely to sanction democracies than non-democracies precisely because democracies are more likely to concede. A further argument supporting the claim that democracies, in particular, are inclined to use sanctions against democratic adversaries is the observation that democracies prefer to substitute nonmilitary coercion, including sanctions, for militarized tools of foreign policy when confronting other democracies in inter-state disputes.

## 5. Conclusions and avenues for further research

A number of areas of consensus have emerged in the sanctions literature. There is, for example, wide agreement on the utility of smart sanctions —those designed to have selective effects on specific groups within the target country. In addition, economists and political scientists alike have come to recognize that consideration of the political processes by which sanctioning policies emerge in the sender nations, as well as the political processes through which sanctions generate policy outcomes in a target country, is key to addressing the two main questions in the political economy of sanctions. These questions are (i) what factors determine when sanctions will be used as a preferred instrument of influence exertion in international relations and (ii) what factors determine the likelihood of success or failure of sanctions in achieving their policy objectives? Game-theoretic treatments of sanctions have contributed a clear understanding that these two questions are intrinsically linked: observed instances of sanctions represent only a small sub-sample of sanctions strategies, most of which end without sanctions actually being imposed. This understanding has carried over into the empirical literature, in which most practitioners now acknowledge the presence of potential selection bias in the data on observed sanctions episodes.

Simultaneous equations approaches, geared to dealing with the problem of joint determination of instrument choice and success, have therefore become the norm. Moreover, scholars have increasingly recognized the importance of political institutions, within both sanctioning countries and target countries, in influencing the decision to implement sanctions and the effectiveness of the sanctions in attaining their goals. Despite the fact that the body of knowledge about the processes generating sanctions and determining their success has undoubtedly expanded, and analyses of sanctions, both theoretical and empirical, has become considerably more sophisticated over the years, there are puzzles that still need to be resolved. Why, for example, has the use of sanctions accelerated so dramatically in the post-Cold War era, and why are some countries more frequent users of sanctions than others? The latter question applies with particular force to the United States, which is by far the premier sanctioner in the world. Without further research on these questions, we can only speculate as to their answers. Perhaps the collapse of the Soviet Union initiated a spurt of sanctioning activity because sanctioners need no longer be concerned that their actions will exacerbate Cold War tensions between superpower blocs. Perhaps the nations that are most likely to rely on sanctions are those without access to alternative avenues of pressure that could be brought to bear in a dispute, such as historical, colonial or cultural ties with potential targets.

In resolving these issues, consideration must necessarily be given to more than the standard economic and political factors that, thus far, have dominated the sanctions literature. We believe that cultural and historical characteristics of nations, which have been neglected in the literature, will need to be taken into account in future research on sanctioning behavior and effectiveness. Scholars of economic growth and development have increasingly applied political economy models to explain how cultural or normative attributes of states play an important role in determining institutions, policy choices and economic performance. Moreover, the democratic peace literature suggests that countries that share participatory political institutions may be in a better position to signal levels of resolve or commitment in international disputes than countries lacking such institutions. In general, states with similar political and economic institutions can be expected to have similar foreign policy preferences and therefore to be less likely to enter into conflict with one another. The same might conceivably be said for other dimensions of national similarity, including culture and historical experience. Nations that share a range of cultural attributes may be supposed to be more effective in communicating their collective preferences and intentions than culturally dissimilar countries, thus mitigating conflict and increasing the likelihood of successful resolution of inter-state disputes. A high priority for future extensions of the economic sanctions research agenda will be to follow the broader emerging trend in economics, specifically, to take into account a wider array of behavioral determinants than have traditionally been applied in the study of sanctions.

## REFERENCES

- Bueno de Mesquita, B. and Siverson, R.M. 1995. War and the survival of political leaders: A comparative study of regime

- types and political accountability. *American Political Science Review*, 89, pp.841–855.
- Bueno de Mesquita, B., Morrow, J.D., Siverson, R.M. and Smith, A. 1999. An institutional explanation for the democratic peacel. *American Political Science Review*, 93, pp.791–808.
- Bueno de Mesquita, B., Smith, A., Siverson, R.M.,Morrow, J.D. 2003. *The Logic of Political Survival*.MIT Press, Cambridge, MA.
- Cortright, D. and Lopez, G.A. 2000. *The Sanctions Decade: Assessing UN Strategies in the 1990s*. Lynne Rienner Publishers, Boulder, CO.
- Cortright, D. and Lopez, G.A. 2002a. Introduction: Assessing smart sanctions: Lessons from the 1990s. In: Cortright, D., Lopez, G.A. (Eds.), *Smart Sanctions: Targeting Economic Statecraft*. Rowman and Littlefield, Lanham, MD, P.P. 1–22.
- Cortright, D. and Lopez, G.A. 2002b. *Sanctions and the Search for Security: Challenges to UN Action*. Lynne Rienner Publishers, Boulder, CO.
- Cortright, D., Lopez, G.A. and Rogers, E.S. 2002. Targeted financial sanctions: Smart sanctions that do workl. In: Cortright, D., Lopez, G.A. (Eds.), *Smart Sanctions: Targeting Economic Statecraft*. Rowman and Littlefield, Lanham, MD, P.P. 23–40.
- Cortright, D., Millar, A. and Lopez, G.A. 2002. Smart sanctions in Iraq: Policy optionsl. In: Cortright, D., Lopez, G.A. (Eds.), *Smart Sanctions: Targeting Economic Statecraft*. Rowman and Littlefield, Lanham, MD, pp. 201–224.
- Cox, D.G. and Drury, A.C. 2006. Democratic sanctions: Connecting the democratic peace and economic sanctions. *Journal of Peace Research*, 43, 709–722.
- Damrosch, L.F. 1993. The civilian impact of economic sanctionsl. In: Damrosch,L.F. (Ed.), *Enforcing Restraint: Collective Intervention in Internal Conflicts*. Council on Foreign Relations Press, New York, P.P. 274–315.
- Giumelli, Francesco and Paul Ivan 2013. The effectiveness of EU sactionsl. Europe Policy Center publication. pp.9-13.
- House of Lords. 2007. *The impact of economic sanctions*. House of Lords publication.p.12.
- Hufbauer, Gary, Jeffrey Schott, Kimberly Elliott and Barbara Oegg. 2007. *Economic Sanctions Reconsidered*. Peterson Institute for International Economics, Washington, DC.
- Lektzian, D. and Souva, M. 2001. Institutions and international cooperation: An event history analysis of the effects of economic sanctionsl. *Journal of Conflict Resolution*, 45, 61–79.
- Lektzian, D. and Souva, M. 2003. The economic peace between democracies: Economic sanctions and domestic institutionsl. *Journal of Peace Research*, 40, 641–660.
- Mack, A. and Khan, A. 2000. The efficacy of UN sanctionsl. *Security Dialogue* 31, 279–292
- Major, S. and McGann, A.J. 2005. —Caught in the crossfire: ‘Innocent bystanders’ as optimal targets of economic sanctionsl. *Journal of Conflict Resolution*, 49, 337–359.
- Mayall, J. 1984. The sanctions problem in international economic relations: Reflections in the light of recent experiencel. *International Affairs* 60, 631–642.
- McGillivray, F. and Smith, A. 2000. Trust and cooperation through agent-specific punishments. *International Organization* 54, 809–824.
- McGillivray, F. and Smith, A. 2004. The impact of leadership turnover on trading relations between statesl. *International Organization*, 58, 567–600.
- McGillivray, F. and Smith, A. 2005. The impact of leadership turnover and domestic institutions on international cooperationl. *Journal of Conflict Resolution*, 49, 639–660.
- McGillivray, F. and Stam, A.C. 2004. Political institutions, coercive diplomacy, and the duration of economic sanctionsl. *Journal of Conflict Resolution*, 48, 154–172.
- Nooruddin, I. 2002. Modeling selection bias in studies of sanctions efficacyl. *International Interactions*, 28, 59–75.
- Nossal, K.R. 1989. International sanctions as international punishmentl. *International Organization* 43, 301–322.
- Nossal, K.R. 1999. Liberal democratic regimes, international sanctions, and global governance. In: Väyrynen, R. (Ed.), *Globalization and Global Governance*. Rowman and Littlefield, Lanham, MD, pp. 127–150.
- Pape, R.A. 1997. Why economic sanctions do not workl. *International Security* 22, 90–136.

\*\*\*\*\*