

HFG RESEARCH AND POLICY IN BRIEF

International Sanctions against Violent Actors

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Executive Summary

Recent decades have seen the growing use of economic punishment and other forms of sanctioning to compel targeted states, and occasionally armed nonstate groups, to cease violent repression and other forms of human rights abuse, military aggression, production of weapons of mass destruction, or other practices deemed intolerable by those imposing sanctions. These are most frequently deployed by major global actors, particularly the United States, the European Union, and the United Nations. Sanctions are widely regarded as preferable alternatives to military intervention where diplomacy is determined or predicted to be ineffective in compelling a change in the target's behavior.

In practice, sanctions rarely operate on the ground as their advocates intend. Sanctions succeed in only about 30 percent of cases, and they very often elicit harsh—or harsher—treatment of the targeted state's citizens. The suffering of citizens engendered by general economic sanctions often stimulates protests and emboldens violent antigovernment groups. Sanctioned regimes typically respond by increased repression, both to quell these domestic challenges and to demonstrate to international actors that their power has not been diminished. As well, sanctioned states are usually able to procure the resources being denied through sanctions from third-parties willing to engage in “sanctions busting.”

Sanctions are most likely to succeed when targeted at the military capability of one or more parties to a civil war, arms embargoes being the prime example. There is evidence that military-specific sanctions coupled with economic punishment are even more effective in compelling the target or targets to reduce their belligerence and engage in peace negotiations.

VARIETIES OF SANCTIONS AND MOTIVATIONS FOR THEIR USE

Economic sanctions have become increasingly prominent policy tools since the turn of the twenty-first century. Major global actors, particularly the United States, the European Union, and the United Nations, frequently employ punitive economic measures to try to stop state violence and other state practices deemed intolerable. Sanctions have been the go-to instruments in crises involving major human rights abuses, terrorism, military aggression, nuclear proliferation, and trade disputes. Among recent cases, Russia has been subject to sanctions over its military aggression in Ukraine, Iran and North Korea over nuclear proliferation, and Venezuela and Zimbabwe over political repression of domestic opposition groups. Some sanctions programs include comprehensive measures, such as trade restrictions, investment bans, and economic or military aid cuts. Others are more targeted, aiming at specific individuals, groups, companies, or economic sectors. Targeted sanctions include asset freezes, bans on the sale of military technology and technology that could be used for either civilian or military purposes (dual-use technology), restrictions on international banking activity, and travel prohibitions.

Though sanctions are popular instruments, they succeed in achieving their policy goals only about 30 percent of the time (Felbermayr et al. 2020). Despite this relatively low success rate, the US and other major actors continue to rely on sanctions, with a variety of motives. Policy makers, for instance, often justify the use of sanctions by invoking the significance of upholding international norms—such as human rights and sovereignty—against belligerent actors committing military aggression and grave human right abuses. Domestic political and electoral considerations are other key motives for the use of sanctions; leaders might levy them to assuage domestic media and public pressure demanding action against repressive states and other wrongdoers in the global arena. They thus signal to the electorate that they are “doing something.” Sanctions also remain popular instruments in Western capitals because of the lack of appeal of the two alternative options: military force and diplomacy. The former is rarely considered a desirable option because of low public tolerance for casualties and consequent political risks to the sanctioning regime. The latter, on the other hand, is often perceived as incapable of solving major crises.

In this brief, I examine the extent to which sanctions affect political violence committed by state and nonstate actors in target (sanctioned) countries.¹ In assessing possible effects of sanctions on violence and stability, this brief is not intended to evaluate whether these outcomes are positive or negative from the perspective of either sanctioning or target countries. As I argue elsewhere (Peksen 2019), what counts as positive or negative is often subjective. This is because even some “desirable” outcomes of sanctions, such as increased antigovernment dissent in target countries,

¹ Some of this discussion of the relevant academic literature on political consequences of sanctions is drawn from my review essay in the *Research Handbook on Economic Sanctions* (Peksen 2021).

often backfire, as most target regimes meet growing dissent with more violence and repression. Drawing insight from the scholarly literature, I first discuss how sanctions might incite more protest and possibly terrorism. I then explain why target governments tend to respond to sanctions-induced political dissent with repression and violence. Next, I evaluate the effectiveness of sanctions in reducing the severity of violence during large-scale civil wars. I conclude with a few key points on the nexus between sanctions and violence in target countries.

SANCTIONS, PROTEST ACTIVITY, AND TERROR EVENTS

Sanctions, particularly comprehensive ones, tend to lead to a sizable decline in economic growth in the target nation and can even trigger financial crises (Neuenkirch and Neumeier 2016; Peksen and Son 2015). Sanctions-induced economic downturns increase unemployment, inflation, poverty, and income inequality (Afesorgbor and Mahadevan 2016). The economic contraction and financial distress caused by foreign pressure can spur domestic political violence and instability (Allen 2008). Specifically, sanctions-induced economic stress might motivate citizens to take to the streets, engaging in nonviolent or violent protest to express their anger and frustration (Liou, Murdie, and Peksen 2021).

Iran, for instance, has been under US-led financial and trade sanctions for over a decade due to its nuclear program. These have caused significant economic distress and the depreciation of Iran's official currency, the rial, over the years. There have been protests in many cities over the dire economic conditions, which have often been met with violent crackdowns by regime forces. Iranian protestors have commonly invoked the sanctions and the government's failed economic policies, which are often exacerbated by the sanctions, as the main causes of their suffering and the decision to protest.

Sanctions might also prompt protest activity among opposition groups in order to signify domestic disapproval of the target government not just to their leaders but to the global community as well. Antigovernment groups often feel emboldened by sanctions because they construe them as a signal that there is strong foreign opposition to their government (Peksen and Drury 2010). The signaling function of sanctions is more pertinent in disputes where sanctioning states seek to destabilize target regimes or promote human rights and democratic freedoms compared to the ones involving trade disputes, nuclear proliferation, or diplomatic crises (Grauvogel, Licht, and von Soest 2017). When states employ sanctions to pressure the target government for policy reforms, the antiregime groups interpret the external pressure as an indication that the same states would support their antigovernment campaigns. Growing economic grievances coupled with the signaling function of external pressure will often lead to more dissent and protest activity in target countries.

It is important to note that the suggestion here is not that sanctions are solely responsible for political instability in target countries. Some targets experience widespread protests and demonstrations even prior to sanctions. In Venezuela, for instance, there were daily protests and clashes between government forces and peaceful demonstrators preceding US sanctions. Venezuelans were actively protesting their government due to widespread corruption, failed economic policies, and political repression. The US levied sanctions against the Chavez and then Maduro regimes in part because of major human rights abuses and violent crackdowns on prodemocracy groups. The point here is that even in cases like Venezuela, sanctions tend to exacerbate the economic suffering of average citizens and create more incentives for opposition groups to rally against their governments, inciting more political dissent and, possibly, uprisings.

Research also offers significant insight into how sanctions might affect not just citizen protest but ongoing terrorist campaigns in target states. This line of research reports that sanctions might diminish the government's counterterrorism capabilities, strengthen terrorist networks, and embolden terrorist groups (Heffington 2017; McLean et al. 2018). Reduced tax and other revenues due to external economic pressure may diminish financial capacity of target governments and cause them to modify their public spending priorities to survive sanctions. They might prioritize the needs of their key supporters through subsidies and selective rewards to maintain their loyalty. They might also shift more resources toward the immediate needs of the public, such as health and poverty programs, but that outcome is considerably less likely.

These reductions and reallocations of state capacity could motivate and strengthen terrorists and other violent nonstate groups. Such groups might gain more financial and political support from citizens if the public blames the government for its suffering and might even recruit additional members from among those dissatisfied with their living conditions. Diminished counterterrorism capabilities along with growing dissent within society might not only enable but also incentivize terrorist groups to stage more attacks on domestic targets (Heffington 2017), especially if these organizations hold the political regime responsible for the adverse economic conditions. Even without invoking sanctions-induced suffering as a justification, some terrorist groups might step up their attacks to take advantage of the pressure sanctions place on the government, seeing a window of opportunity to gain concessions from the government while it suffers from foreign pressure.

TARGET GOVERNMENT RESPONSE TO DOMESTIC DISSENT AND VIOLENCE

How do target governments react to growing opposition and instability following sanctions? Do leaders in countries like Iran, Russia, and Venezuela become more conciliatory toward the domestic

demands for political reforms? Or do they turn to repressive and violent means to quell them? In this section, I discuss how advocates of sanctions typically assert that external pressure might make target governments become compliant through threatening their ability to stay in power. I then explain why sanctions in practice fall short on undermining target regimes' ability to rule and instead often prompt more violent tactics to prolong their authority.

Sanctioning states typically justify the use of sanctions with the assumption that the economic and political costs of external pressure will force target governments to comply with their demands. The damage inflicted on targeted economies could potentially hurt target leaders' revenue and prevent their access to essential economic and military resources, diminishing their capacity to rule. The reduced access to crucial resources could impede their ability to employ repressive means to quell opposition. The decline in state capacity could also lessen the backing that targeted leaders elicit from proregime groups. As mentioned above, in repressive regimes, especially those with a relatively small ruling coalition, strong financial capacity is critical for leaders to offer selective inducements and rewards to their supporters in return for their political loyalty. To the extent that leaders fail to satisfy key supporters through selective inducements, there could be defections from the ruling coalition to the opposition. As a result, reduced state capacity coupled with lessened support within their ruling base could increase the willingness of sanctioned leaders to acquiesce to the demands for policy reforms, including more respect for basic rights and freedoms within and outside their nation.

Sanctions, however, rarely operate on the ground as anticipated by their advocates. Simply put, it is unlikely that sanctions would exert enough pressure on most targeted regimes to elicit changes to their objectionable policies. Leaders under sanctions usually employ two main strategies to minimize the intended hardships of the external coercion. First, they often use public resources to insulate themselves and their key followers from the economic and other costs of sanctions (Peksen and Drury 2010). They do so by redirecting public funds and resources toward their support base. As leaders insulate their loyalists from the adverse effects of sanctions, their ruling coalition remains intact. Sanctions might even inadvertently contribute to the consolidation of target regimes by strengthening the ties between the leadership and its supporters. This could occur if key supporters become increasingly dependent on the regime for continued access to economic privileges and other rewards during sanctions years.

The longevity of authoritarian regimes such as the ones in Cuba, Iran, Sudan, and North Korea in the face of crippling sanctions could reflect the fact that foreign economic pressure often strengthens the coalition between the regime and their key supporters. North Korea, for instance, has been subject to various trade and investment sanctions by the US and UN since the 1990s. The sanctions

are intended to destabilize the government of Kim Jong-un, promote human rights, and weaken the country's nuclear weapons program. The Kim regime, however, has been able to remain in power despite the serious economic suffering and political oppression North Koreans have endured over the years. One reason is that it has been able to keep its most important supporters—top party officials, key military figures, and business leaders—unified by providing special favors such as access to luxury goods, better salaries, and selective subsidies.

The second strategy target governments use to minimize the intended hardships of external coercion is sanctions-busting. Target governments usually find willing third-party state and nonstate actors to help them circumvent sanctions (Early 2015). During the Cold War, for instance, Cuba was able to withstand comprehensive US sanctions in part thanks to financial and economic assistance from the Soviet Union. Likewise, the Kim regime in North Korea has been able to generate enough revenue through foreign trade with its neighbor and top sponsor, China. Recent sanctions imposed on Vladimir Putin's regime in Russia following the invasion of Ukraine also face this challenge. Moscow has been subject to unprecedented financial and trade restrictions since the early days of the Ukraine war. However, these comprehensive sanctions have not yet succeeded in inducing Putin to end his military aggression. This is in part because China, India, Iran, and Turkey have chosen not to participate in the sanctions coalition and instead have kept or increased their trade and other economic transactions with Russia, providing Putin a much-needed lifeline.

In addition to formal trade and investments with third-party partners, some leaders might generate revenue and gain access to the sanctioned resources through smuggling and black-market channels (Andreas 2005). For example, there was a significant increase in illicit trade and other forms of informal activities in the former Federal Republic of Yugoslavia during the 1990s. The Slobodan Milosevic regime was targeted with UN sanctions due its involvement in the war in Bosnia and Herzegovina. Foreign economic restrictions increased incentives for Milosevic and his accomplices to participate in informal economic activity, including illicit trade and smuggling. Governments in Cuba, Haiti, Iran, and North Korea have also benefited from similar illicit channels to evade sanctions. In sum, because sanctions typically fail to exact enough damage to the coercive and financial capacity of target regimes, it is unlikely that target governments will be willing to acquiesce to the demands for policy change.

Rather than eliciting target compliance, there is robust evidence that sanctions can motivate political leaders to commit more repression and violence against their citizens, especially in less democratic states (Peksen 2009; Adam and Tsarsitalidou 2019; Liou, Murdie, and Peksen 2021). As noted above, sanctions sometimes spur antigovernment protests and other forms of dissent. Given the

high probability that sanctions fail to undermine the coercive and financial capacity of target states, leaders facing domestic dissent and violence might be more inclined to use repressive means to suppress the opposition, such as violent crackdown on protesters, extrajudicial killings, torture, and political imprisonment (Peksen 2009). The calculus behind the increased use of violent tactics is to display resolve to the domestic and international audience. In response to sanctioning, for instance, the regimes in Iran and Venezuela use violent repression to prove that they are able and determined to crush any challenge to their authority.

Even when target leaders do not face large-scale protests or violence, they can still exploit sanctions to weaken their rivals through repression. They are likely to portray sanctions as a direct threat to national unity and sovereignty and may link domestic opponents to that threat. Under heavy government propaganda and support, proregime groups might even organize rallies to show their support for the government (Hellmeier 2021). Shifting the blame for the state's major problems to the sanctions and their foreign enactors is a strategy we commonly observe in public statements made by officials in target countries.

SANCTIONS AND LARGE-SCALE DEADLY CONFLICTS

Sanctions are frequently used in major conflict zones with the specific goal of ending violence and restoring peace. The US, the EU, and the UN, among other actors, have levied economic and military-specific sanctions in response to deadly conflicts in Liberia, Rwanda, Sierra Leone, Syria, Somalia, and Yemen. Studies suggest that sanctions can shorten large-scale civil wars and reduce conflict violence when they substantially disrupt military capabilities of the fighting groups (Strandow 2006; Escribà-Folch 2010; Hultman and Peksen 2015; Radtke and Jo 2018). When sanctions hit government actors or rebel groups, they might be more inclined to engage in negotiations if the sanctions raise the costs of fighting and change the relative distribution of power between them and their opponents.² Even though there might be a change in the balance of power between the sanctioned and nonsanctioned groups in favor of the latter, nonsanctioned factions might still be open to negotiations because they might want to take advantage of the weakened rival and gain as many concessions as possible while avoiding the costs of further military activity. Conversely, in civil wars where sanctions fall short of inflicting significant costs on the capabilities of the targeted group or groups, a surge of violence may result. Research suggests that sanctions that fail to significantly weaken target groups might prompt them to carry out more violent attacks to defeat or weaken their rivals before possibly facing additional sanctions or other forms of belligerent

² One notable exception is genocides. In such extreme cases of violence, perpetrators who commit mass killings appear to be undeterred by sanctions pressure (Krain 2017).

intervention (Hultman and Peksen 2015). Hence, the key finding in this body of literature is that sanctions tend to expedite conflict resolution only when they impose major harm on the military capabilities of one or more of the warring factions.

What types of sanctions are more likely to apply effective pressure on fighting capabilities? Military-specific sanctions (arms embargoes, bans on the sale of military technology, and military aid cuts) appear to work better than punitive economic measures in reducing violence and mass killings (Strandow 2006; Hultman and Peksen 2015). Specifically, sanctions designed with the explicit goal of diminishing the targeted actor's war capabilities reduce its access to weapons and other military assistance, at least in the short term. Such sanctions might also make it harder and more expensive for the target to obtain the sanctioned military resources through third-party actors. For example, an analysis covering all civil wars in Africa from 1989 to 2005 by Hultman and Peksen (2015) found that arms embargoes were instrumental in reducing conflict violence in the form of battlefield-related deaths. The same study found that economic sanctions *increased* the intensity of violence, as punitive economic measures often fell short of damaging the coercive capacity of their targets.

Another study (Lektzian and Regan 2016), however, suggests that economic sanctions could contribute to peace and conflict resolution if used along with military and other forms of external interventions. The use of sanctions as part of a broader international involvement in large-scale conflicts would signal an especially serious commitment of external actors to the resolution of the conflict. This broader approach could also be more successful in raising the expected and actual costs of war for rival factions. In short, sanctions combined with other interventions are more likely to impair actors' ability to fight and increase their willingness to seek an end to the conflict.

KEY TAKEAWAYS

There are four major takeaways from this research synthesis on sanctions and violence.

First, sanctions can lead to political disarray by inciting disorder and violence. Economic hardships incurred by citizens, along with increased mobilization following sanctions, could lead to more tension and clashes between government forces and protestors. Countries under sanctions may also become more susceptible to terrorist attacks. Terrorist groups are likely to exploit sanctions to intensify their campaigns to exact concessions from governments under foreign pressure.

Second, sanctions are likely to create incentives for target governments to employ repressive means against their citizenry and rival groups. Put differently, foreign pressure might be counterproductive

relative to political stability, human rights, and civil peace. Target governments typically consider sanctions, along with the domestic dissent that often accompanies them, as a major threat to political stability and their survival. They may become more resolved to quash dissent and eliminate domestic challenges through violent crackdowns and other repressive tactics.

Third, military-specific sanctions could be effective in deescalating violence during deadly civil wars by damaging the ability to fight and raising the costs of war for one or more of the warring factions. However, in cases where economic and military sanctions fail to inflict sufficient costs, foreign pressure can intensify conflict violence. A targeted group undeterred by sanctions might ramp up its war efforts to weaken the rivals if they anticipate additional sanctions or other forms of hostile interventions.

Fourth, general economic sanctions during deadly conflicts might work better if used along with military interventions and other forms of external interference. Punitive economic measures tend not to be enough to undermine coercive and financial capabilities of belligerent entities. But their use along with other forms of intervention can amplify the pressure on targeted actors and consequently contribute to peace and stability.

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