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The Strategy of Sanctions

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Summary of Proceedings

Introduction

On May 8-9, 1997, the ABA Standing Committee on Law and National Security cosponsored a conference at the Cantigny Estate in suburban Chicago on "The Strategy of Sanctions." The conference was organized by the National Strategy Forum (chaired by Standing Committee Advisory Committee Chairman Richard Friedman), underwritten and hosted by the Robert R. McCormick Tribune Foundation, and cosponsored also by the Strategic Studies Institute of the U.S. Army War College.

Several individuals associated with the Standing Committee took part—including Chairman Paul Schott Stevens, Stewart Baker, and Suzanne Spaulding—and we are pleased to provide the following summary for the benefit of our readers. We are indebted to John M. Flanagin and Endy D. Zemenides, of the National Strategy Forum, for their work in preparing this summary.

The conference panels were designed to examine sanctions from several perspectives: political, commercial, ethical, and moral. The operational aspects of implementation and enforcement of sanctions regimes were also explored from legal and military perspectives.

Accordingly, the conference organizers invited a diverse group of participants that included international business executives, legal scholars, military commanders, ethicists and peace advocates, experts on intelligence, and current and former government officials who have had responsibility for devising and implementing sanctions policies.

The opinions expressed at the conference were those of the individual participants and do not necessarily reflect positions of sponsoring organizations.

The Policy Setting

Sanctions are applied for a wide range of purposes: to isolate and discredit dictators, to increase the costs and risks of arms proliferation, to punish military aggression, to protest governments' complicity in drug trafficking or terrorism, and to penalize unfair trade practices. The array of problems for which sanctions are contemplated is growing, and has recently extended to environmental threats and electoral fraud.

Debates in Washington over sanctions are fueled by a complex mixture of policy and politics. It is not always clear what audience is being appealed to—a domestic political constituency or a foreign government. Richard Haass, Director of Foreign Policy Studies at the Brookings Institution, observed that threatening to decertify Colombia's or Mexico's counter-narcotics efforts may signal resolve to the American public, but Latin American governments view decertification as an unwarranted insult, given the high demand for illegal drugs in the United States. The views of democratic activists in Hong Kong were generally ignored during the spring of 1997, when the U.S. Congress deliberated over whether to condition renewal of China's most-favored-nation status on Beijing's respect for civil liberties in the former colony.

Professor Alberto Coll, of the U.S. Naval War College, noted that the premises of sanctions regimes can change. Cuba represented a clear and direct threat to U.S. national security during the Cold War, when sanctions were first imposed. Castro's regime no longer poses a serious threat to U.S. national security, and the debate has narrowed to the question of whether sanctions will accelerate or delay democratization in Cuba.

Testing "the Wilsonian Premise"

> A nation that is boycotted is a nation that is in sight of surrender. Apply this economic, peaceful, silent, deadly remedy, and there will be no need for the use of force. It is a terrible remedy. It does not cost a life outside the nation boycotted. But, it brings pressure upon the nation which, in my judgment, no modern nation could resist.

These are the words of Woodrow Wilson, writing in 1919. History has shown that Wilson overestimated the power of sanctions. Yet, there is in the United States a persistent belief that sanctions can subdue foreign governments. The facts do not support this belief. Data gathered by the Institute for International Economics (IIE) indicate that sanctions actually compel the targeted government to change its policies in approximately 30% of the cases. Indeed, in recent years, the number of favorable outcomes has been decreasing.

The case of South Africa during the apartheid era is widely regarded as an example of sanctions bringing about monumental change. In this case, local boycotts of U.S. corporations doing business in South Africa preceded a shift in national policy from neutrality on the question of how the South African political system should be reformed to explicit calls for the abandonment of apartheid.

Evaluating the impact of sanctions is difficult, and there are different ways to interpret the South African experience. The decision by key U.S. banks in 1985 not to refinance South Africa's external debt created a balance of payments crisis that exacerbated political tensions within South Africa. Once again, it is not clear whether the banks were expressing disapproval to South Africa's elite or appealing to the American public. It does appear that international sanctions prompted the apartheid regime in South Africa to experiment with import substitution and other protectionist measures.

According to Daniel O'Flaherty, of the National Foreign Trade Council, economic isolation may actually have strengthened the apartheid regime's grip on the country and delayed the fall of the National Party government. It is likewise difficult to judge what effect sanctions had on the combatants in the war in Bosnia. Sanctions may have delayed decisive military strikes by the Croatian Army and NATO against the Bosnian Serbs. According to Richard Haass, the arms embargo created a "strategic and moral nightmare."

Professor Patrick Clawson, of the National Defense University, recalled a remark by Senator Richard Lugar, "sanctions create the illusion of action, allowing us to defer more decisive steps that might be justified by the nature of the security threat." Peter Rodman, of the Nixon Center for Peace and Freedom, took a different view, suggesting that "democracies may need to test the Wilsonian premise before going to war."

Factoring in the Interests of Allies

The debate over U.S. sanctions against Cuba extends far beyond Washington, South Florida, and the Caribbean. In the spring of 1997, the European Union threatened to bring a formal complaint against the United States before the World Trade Organization on the grounds that the extraterritoriality provision of the Helms-Burton amendment is an illegal infringement on international trade and investment.

United States sanctions against Iran have also created strains between Washington and long-standing allies in Europe. Here, the strategic issues are profound. Iran has managed to develop and deploy a formidable power-projection capability, even under pressure of comprehensive U.S. sanctions. The declared policy of Germany and other European powers is engagement. The United States has pursued a policy of containment and exclusion.

As in the case of Cuba, U.S. policymakers and their European counterparts disagree over whether suppressing Iranians' standard of living will eventually discredit the "revolutionary" government and produce a regime change. Proponents of engagement argue that economic growth creates countervailing power centers that will eventually challenge the regime for authority.

Time and technology are critical in the Iranian case. As long as Iran can sell petroleum, it can purchase conventional weapons systems and attempt to acquire "dual-use" technologies. Admiral Henry Mauz, USN (Ret.), noted Iran's recent purchase of three submarines and 1,800 mines from

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Russia. Iran has also reportedly obtained missile guidance technology from China and unconventional warheads from North Korea.

Western Europe is more dependent on imported oil than the United States, and thus the risks of antagonizing Teheran are greater for them. Thus, the United States will probably be the lone major power to impose comprehensive sanctions on Iran. Suzanne Spaulding, General Counsel to the Senate Select Committee on Intelligence, pointed out that controlling the export of dual-use technologies to Iran and similar anti *status-quo* states will be problematic because most advanced, dual-use technologies are produced and sold by other industrialized democracies —G-7 states.

Peter Rodman, a veteran of the Nixon, Ford, Reagan and Bush administrations, told conference participants that some criticism from allies is to be expected when the United States acts unilaterally. He recalled that the U.S. bombing of Libya was met with loud protests from Western European governments, but those protests coincided with the start of close cooperation among the G-7 on counter-terrorism measures. He observed that U.S. allies are sometimes inclined "to set themselves up as intermediaries" between the United States and its adversaries, yet this diplomatic posture does not mean that unilateral U.S. sanctions are misplaced or unsustainable. Arguably, it is the United States' strategy of dynamic opposition that makes it possible for other leading industrialized powers to assume the middle-ground and "engage" the regime that is the "target" of U.S. sanction. In this context, "engagement" may be more a reaction to U.S. strategy than a strategy in its own right.

The Value of Intelligence

Employing the metaphor of sanctions as "smart weapons," Ms. Spaulding argued that intelligence will be the key to targeting sanctions with greater discrimination. Intelligence should give policymakers a basis for estimating the vulnerability and resiliency of potential targets. Intelligence should be able to tell policymakers something about the target nation's key trading relationships, network of suppliers, and the centers of gravity in the economy. Once sanctions are in place, intelligence collectors should be tasked to evaluate the effects. Are they driving a wedge between the government and the people? Are they discrediting the elite? Alternatively, are sanctions providing a pretext for consolidating political control within the targeted country? Are sanctions enriching the economic and political elite, who may gain a tighter grip on the levers of economic control? Ms. Spaulding emphasized that good intelligence is needed to identify these unintended effects of sanctions regimes and enable the U.S. Government to alter its policy course as necessary—perhaps by ending an embargo on gasoline in order to create a surplus and wipe out illicit profits. Ambassador Haass underscored the need for a data base on sanctions regimes. It might be possible to develop benchmarks and projection models based on an analysis of historical data on past sanctions regimes.

Finally, to make sanctions a truly effective multilateral tool, Ms. Spaulding argued that "we may have to be more comfortable with spying on our friends." The purpose of this intelligence activity would be to build consensus between the United States and its allies in preparation for imposing sanctions and preserving cohesion once the sanctions have been implemented. Such activity may entail propaganda work in allies' countries or anticipation of what the reaction of U.S. allies will be to the imposition of sanctions.

An illustration of the consequences of poor intelligence was provided by Seth Hurwitz, an international consultant who served as Counsel to the President's Intelligence Oversight Board during the Bush administration. Mr. Hurwitz presented a case study of U.S. sanctions against Imperial Japan prior to the December, 1941 Japanese attack on Pearl Harbor. He explained that the Japanese sense of strategic isolation was not well-understood in Washington. Hence, steps to restrict their access to key materiel compounded the Japanese sense of vulnerability. The United States announced an oil and scrap metal embargo on Japan in August 1941, and this prompted a decision by Japan's strategic planners to prepare for a preemptive attack against the United States.

Mr. Hurwitz argued that the United States' diplomatic offensive against Japan was misdirected; Washington did not understand that the key decisions regarding potential hostilities with the United States were being made at a bureaucratic level below the principal officials with whom Washington was negotiating.

Clarifying Lines of Authority and Responsibility

Ms. Spaulding posed the question: is there even an accepted "process" for devising and managing sanctions programs? The question of where accountability lies for sanctions policy figured in many of the panel discussions. The President is the source of executive orders concerning sanctions, and the Executive Branch proposes and implements sanctions authorized by Congress. Yet, sanctions are not presidential policy to the same extent that military interventions are. Congress, with its explicit constitutional authority over foreign commerce, has a prominent role in determining when and where sanctions are imposed.

In accordance with its oversight responsibilities, Congress mandates reports from the Executive Branch on a wide array of international issues. Some of this legislation specifies automatic sanctions if certain conditions are found to exist. The President only has discretion over whether to waive the sanctions or to suspend enforcement. Ambassador Haass, who was critical of automatically triggered sanctions, described them as "an area Congress can do by itself." For this reason, it may not be feasible to centralize authority and responsibility for sanctions in some cabinet department or White House office.

Commercial Implications

In a study by the Institute for International Economics (IIE) presented by Gary Hufbauer and Elizabeth Winston, U.S. sanctions caused approximately $15-19 billion in lost revenues for U.S. exporters in 1995. Professor Patrick Clawson noted that U.S. exports contain an average of 20% imported content, by value, so the loss of $1 dollar of export revenue does not equal the loss of $1 dollar of GNP. Clawson also contended that there will be a return on investment from the capital diverted away from production for export as a result of sanctions. Interestingly, an IIE study conducted at the end of the Cold War concluded that U.S. sanctions—including restrictions on trade with Eastern bloc countries, resulted in a loss to U.S. exporters of $9-$32 billion dollars in 1989.

Setting aside the specific aggregate costs to U.S. businesses, Dr. Clawson also challenged the notion that sanctions are an absolute cost. Measured against the potential costs of alternative policies, sanctions may not, in fact, be a drag on the U.S. economy. Consider the effect on wages. According to Clawson, the IIE data suggest that wages lost in the United States as a result of sanctions amount to approximately $1 billion dollars. Clawson pointed out that this is only 1/70th of 1 percent of the United States' $7 trillion dollar economy. If this interpretation is correct, then wages lost as a consequence of sanctions are less than 1/2 of 1 percent of the Department of Defense's budget. A military confrontation between the United States and Iraq, or Iran, or North Korea would certainly impose more than $1 billion dollars of additional spending on the Department of Defense. This increased cost, however, would not be paid for by U.S. businesses. Daniel O'Flaherty observed that the costs of military contingencies are spread over all U.S. taxpayers, rather than imposed on a few corporations.

According to the IIE study, 26 countries were subject to U.S. sanctions during 1995. Still more sanctions were threatened during that period. This plethora of sanctions creates uncertainties for many U.S.-based international corporations. As Marjorie Chorlins of Motorola, explained, it becomes difficult to launch long-term business relationships when the possibility that sanctions might be imposed looms over negotiations for purchasing agreements, service agreements, joint ventures, and the like. She said that Motorola's foreign competitors make a point of highlighting this risk in their meetings with potential customers. In the fiercely competitive global telecommunications and semiconductor businesses, U.S. companies need to be able to make long-term commitments to their customers and suppliers if they hope to defend their market share.

Customers can be lost at several stages: construction of a system, servicing the system, and upgrading the system. The implied risk that unilateral sanctions will be imposed is a real vulnerability for U.S. businesses competing abroad, according to Ms. Chorlins. She pointed out that the generations between telecommunications technologies are becoming shorter. This year's leading edge technology will become a commodity product very quickly, and it is becoming easier, in a global telecommunications equipment market, for customers to find substitutes for U.S. products.

Daniel O'Flaherty joined Ms. Chorlins in emphasizing the point that U.S. corporations are well aware that sanctions sometimes protect vital national interests. At the same time, however, the heads of U.S. corporations that do business around the world are concerned that sanctions are becoming a "reflexive instrument of first choice" for politicians. They perceive that policymakers choose sanctions to placate domestic constituencies and special interests without realistically assessing the likelihood that sanctions will achieve a defined political goal. Frequently, debates over sanctions are framed by advocacy groups that do not give adequate attention to the economic impact on U.S. businesses that have customers, partners, or suppliers in the targeted country. O'Flaherty asked whether U.S. workers and stockholders should be expected to pay an economic price in an attempt to leverage U.S. diplomatic power—when the data indicate that sanctions are not a particularly effective foreign policy tool.

Concerns such as these led to the formation in 1996 of a coalition of 500 U.S. businesses called USA ENGAGE. According to O'Flaherty, who also directs this organization, corporate leaders in the United States have been increasingly alarmed to find that markets around the world are being closed to U.S. businesses —or threatened with closure— and that these actions are being "taken in a kind of serendipitous fashion, a one-size-fits all foreign policy that [is] devoid of serious and sober consideration of relation of ends and means."

Dr. Clawson and several other participants expressed the hope that decision-making on sanctions will be less *ad hoc* in the future. Clawson believes that the U.S. government's decision to compel Conoco to abandon an oil deal involving Iran was unnecessarily abrupt. By contrast, U.S. corporations were signaled over an extended period that sanctions against Burma were in the offing. Clawson noted that there was a surge of direct investment in Burma by U.S. corporations just prior to application of sanctions (which were grandfathered).

Moral and Ethical Implications

Joel Rosenthal, of the Carnegie Council on Ethics and International Affairs, observed that there are two distinctly different ways a person can approach the question of sanctions as an ethical problem. One form of ethical reasoning —the deontological—proceeds from assertions of principle. Mr. Rosenthal described this as the ethics of duty or necessity. The other approach to ethical problems focuses on the consequences of actions. In the context of American politics, "idealists" have tended toward the deontological perspective on international affairs, while "realists" have been wary of any doctrine that is not disciplined by a careful consideration of consequences. Rosenthal believes that both styles of ethical reasoning are reflected in debates over sanctions, and that neither is sufficient for all situations. There is an unmistakable moral component to Americans' perception of their role in the world, but an absolute commitment to *a priori* ethical principles can lead to ruinous overcommitment and devastation.

Mr. Rosenthal noted that there are precursors to the modern form of sanctions—particularly comprehensive sanctions. Sieges have figured prominently in the rise and fall of empires. Alluding to Michael Walzer's book *Just and Unjust Wars*, Rosenthal commented that siege warfare has been regarded throughout history as a ruthlessly efficient method of reducing civilian populations to exhaustion, death, and surrender. Modern-day sanctions generally include humanitarian exceptions, but it is still civilian populations that suffer the most severe deprivations. Are sanctions an effective and ethically sound strategy for defending international norms? Is there a tendency to resort to sanctions for purposes of projecting American values and power into foreign populations without due regard for the political and humanitarian consequences? These are important questions.

The Reverend Drew Christiansen, S.J., Director of the Office of International Justice and Peace of the U.S. Catholic Conference, set forth criteria for evaluating sanctions regimes on ethical grounds. Father Christiansen's analysis was premised upon two ideas: first, that governments must avoid harming the innocent; and second, that governments have an affirmative duty to protect the innocent. The only exception to these rules occurs when a greater, more harmful assault on the innocent can be avoided by government action. One way that this exception applies to sanctions is if "they obviate more violent means of coercion."

Thus, sanctions may be justified if they prevent a war—even though innocent people will suffer as a consequence. Sanctions would not be ethically justified if the purpose was to prepare for war or extend war. For this reason, Father Christiansen found the continuing, *post-bellum* sanctions on Iraq objectionable. The coalition governments and the members of the UN Security Council have an obligation to lift the sanctions once the greater danger has passed and the sanctions regime no longer serves as an alternative to war or a limiting factor, he argued.

Richard Speier, of the RAND Corporation, used the term "GNP wars" to characterize the effort to reduce an adversary's economy to subsistence level and hold it there.

Richard Haass challenged the dichotomy described by Father Christiansen. Ambassador Haass argued that sanctions are a form of coercive intervention, and that it often may not be known whether military hostilities will follow. It is more of a continuum of conflict than Father Christiansen's model recognizes, he argued. Further, the ruling elite of the targeted nation is frequently responsible for manipulating food supplies and refusing to accept the conditions attached to humanitarian relief. Ambassador Haass did not accept the view that sustaining sanctions against a demonstrably aggressive regime represents a moral transgression.

Several conference participants probed the limits of a sanctioning government's duty to protect civilians in a targeted country. Father Christiansen acknowledged that the regime in the targeted country should not be permitted to avoid military enforcement of sanctions. He also acknowledged that civilians living under sanctions are not entitled to a specified standard of living, beyond the minimum required for reasonable health. The standard of living of many Iraqis has reportedly declined by 80% since the imposition of sanctions, but this does not necessarily mean that the sanctioning countries are violating the human rights of the civilian population—even though they have little influence over the decisions made by their government. Father Christiansen argued that comprehensive sanctions are justified in only the most dire circumstances: chiefly to prevent or stop war or genocide. Promoting democracy or protesting violations of human rights would not rise to this level of urgency.

Professor Lori Fisler Damrosch, of the Columbia University School of Law, presented a set of prescriptions for sanctions policies. First, sanctions should be designed so that they do not undermine the standard of living of people who are already at the subsistence level. Political objectives are not compelling enough to countenance starvation for a significant portion of a targeted country's population. Second, sanctions should be targeted against the decision makers in the targeted country. The goal is to deprive and embarrass the elites that have the power to change state policy. Third, sanctions should be designed so that they do not enrich those responsible for the objectionable behavior at the expense of innocents within the targeted country. Frequently, sanctions are a boon to elites who control the black and gray markets. Fourth, sanctions should take into account the views and objectives of those they seek to help. There is often an "authentic voice of the oppressed" whose judgment on the advisability of sanctions should be given serious consideration— for example, a Mandela in South Africa, a Kyi in Burma.

Enforcement: Legal Aspects

Richard Newcomb, Director of the Office of Foreign Assets Control in the U.S. Treasury Department, explained the process by which the U.S. government enforces sanctions regimes. The Office of Foreign Assets Control draws its enforcement authority principally from the International Emergency Economic Powers Act and the Trading with the Enemy Act. Under these statutes, the Office of Foreign Assets Control has two key responsibilities. First, it is tasked with freezing and blocking access to assets of the targeted country. Second, it is tasked with blocking commercial activity between the United States and the targeted country.

The Office of Foreign Assets Control currently administers sanctions programs targeted against 13 countries. Iran, Iraq, Libya, Serbia, and Angola are subject to sanctions under the International Emergency Powers Act. Cuba and North Korea are subject to sanctions under the Trading with the Enemy Act. Colombia is subject to sanctions designed to strike the Cali drug trafficking cartel. Several countries were targeted for sanctions under the Anti-Terrorism Act of 1996, including Iran, Iraq, Libya, Korea, North Korea, Syria, and Sudan.

Operationally, the Office of Foreign Assets Control manages several "Specially Designated National Programs" (SDNP). Although they take various forms, the basic objective of SDNPs is to build a comprehensive list of the corporations, firms, agencies, and individuals that should be barred from conducting business with U.S. citizens and corporations. The SDNP has been adapted to different sanctions strategies, including the Specially Designated Terrorist Program, the Specially Designated Narcotics Trafficking Program and the Foreign Terrorist Organization Program. Under these initiatives, U.S. citizens and commercial entities are prohibited from taking part in financial transactions with either the targeted country or with any company that may be owned by entities in the targeted country. The Office of Foreign Assets Control extends its reach far down the revenue stream. In the case of the sanctions on Libya, the Office of Foreign Assets Control placed restrictions on oil dealers, bank holding companies, and investment companies in Europe that were controlled by the government of Libya. At present, there are 3,000 names in the SDNP covering Libya. The "blacklist" of individuals and companies that are linked to the Cali drug cartel in Colombia numbers 350.

A number of conference participants commented on the proliferation of state and local laws that purport to apply sanctions on foreign countries. Stewart Baker, the former general counsel of the National Security Agency, argued that the constitutionality of these state and local sanctions is questionable. They are contrary to the foreign commerce clause in the U.S. Constitution, the language of which is even stronger than that of the interstate commerce clause. Baker rejects the "local interests" argument advanced by the state and municipal governments that declare boycotts on foreign countries. He cited the example of Berkeley, California, which defended its boycott on the grounds that the quality of life for citizens of Berkeley "is diminished when peace and justice are not fully present in the world." Such claims do not take precedence over the foreign relations power of the federal government under the U.S. Constitution, according to Baker. Professor Damrosch argued that the legal climate is changing, and that federal judges are increasingly inclined to defer to state and local governments.

Enforcement: Military Operations

Throughout the conference, participants employed military metaphors in describing sanctions: the "economic weapon," "economic warfare," "intervention," "smart weapons," "targeting," "siege," and so forth. Colonel Richard Witherspoon, Director of the Strategic Studies Institute at the U.S. Army War College, identified some limits to the analogy between military operations and sanctions regimes. Military operations, as conducted by the U.S. Armed Forces, are not graduated or proportional. As Colonel Witherspoon put it, "we are not looking for a fair fight." Sanctions, by contrast, are typically graduated responses to the target country's conduct. The tempo of military operations is higher than the "ratcheting-up" of sanctions programs. Military commanders intend to strike so rapidly that they overtake the enemy's decision cycle. Sanctions are usually applied in conjunction with deliberate, measured political signals that are adapted to the decision-making process of the target country.

Professor William Martel, of the U.S. Air War College, observed that the situations in which sanctions could reasonably be contemplated are multiplying. Further, the consequences for errors of judgment in implementing sanctions are not as severe (to the sanctioning country) as errors of judgment in launching a military intervention. Martel suggested that there are signs of intellectual drift with respect to military enforcement of sanctions. There is no genuine consensus among the American public that their armed forces should be used to enforce sanctions in regions where the United States has only peripheral interests, such as Africa and the Balkans.

As Professor Martel's Air War College colleague, Professor Don Snow, observed, there are no threats, challenges, or opportunities confronting the U.S. Armed Forces that rise to the level of state interests envisioned by Clausewitz. Although the U.S. Armed Forces have evolved in the Clausewitzian/Napoleonic tradition as protectors of the state, the Haitian operation may be the prototype of future operations.

What is lacking from the public discourse is a recognition of the trade-offs that must be made when the U.S. Armed Forces are deployed to monitor and enforce sanctions. For every unit of the combat arms that takes part in some variant of peace enforcement, two others are also pulled away from their regular training and deployments. One unit is preparing to replace the unit currently engaged in sanctions enforcement, while another is refitting and retraining for regular combat operations after coming off of a sanctions enforcement deployment. Such commitments clearly degrade the combat readiness of the U.S. Armed Forces. Sanctions enforcement carries a significant opportunity cost, in strategic terms.

But the added security may outweigh the costs, as well. The U.S. military has unrivaled capabilities to monitor arms transfers and proliferation patterns. Only the United States has the resources to extensively disrupt the international market for weapons of mass destruction. U.S. surveillance

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systems and interdiction capabilities make it possible to add enough risk to transactions to make them unprofitable, according to Richard Speier, a nonproliferation expert with the RAND Corporation. As Admiral Mauz concluded, the United States is the only nation capable of organizing and leading large-scale air interdiction operations and maritime quarantines.

Toward a Strategy of Sanctions

Although the conference was not organized for purposes of developing consensus statements, a summary of key observations would include the following:

• Sanctions should be applied with discrimination. The humanitarian costs of comprehensive sanctions may only be justified in crises where war or genocide are likely to exact an even higher toll.

• Narrowly-focused sanctions are harder to enforce. Import substitutions are more readily obtained, and violations are more difficult to detect. There is also a greater risk that sources and methods of intelligence-gathering will be compromised in monitoring a narrowly-defined sanctions program.

• Multilateral sanctions are likely to have greater effect on the targeted country and do not impose the same competitive disadvantage on U.S. corporations. The U.S. government may recognize an obligation to act unilaterally in some cases, and there is likely to be a significant political and economic price for doing so.

• The relative costs of inaction or passivity can be high as well. Standing Committee Advisory Committee Chairman Richard Friedman, who also chairs the National Strategy Forum, cited Winston Churchill's 1936 commentary on the lessons learned from Italy's conquest of Ethiopia, in which he analyzed the reasons why sanctions failed. "The morals which result are these: First, do not deal in shams. Second, if it is known that you do not mean to fight and will do nothing which forces the other side to attack you, it is better not to take a leading part in these fierce quarrels. Leadership cannot exist upon the principle of limited liability."

• Sanctions can be self-defeating when they are applied within a complex, multidimensional relationship. Human rights objectives can be held hostage to nonproliferation objectives, which can, in turn, confound economic liberalization objectives. Sanctions may become a luxury for the United States if, as Ambassador Haass predicts, its power, wealth, and political autonomy decline in relative terms during the coming decades.

• Sanctions will be more effective if lines of authority and responsibility are clarified. In some cases, sanctions are automatically triggered by congressionally-mandated assessments of foreign governments' compliance with U.S. policy objectives. In other cases, sanctions emerge from a confluence of advocacy group lobbying and media attention. Neither approach is sufficiently deliberative. Many conference participants urged that additional intelligence resources—both operational intelligence and historical analysis—be brought to bear upon the question of when and how to apply sanctions.

• The analogy between sanctions as "economic warfare" and military operations can be overdrawn. However, there are instructive parallels. The United States may prevail in a contest of attrition (a "GNP war"), but the costs on both sides are likely to be exorbitant. Assuming that sanctions regimes yield diminishing returns over time, they should be designed "to hit hard and hit fast," in the words of Gary Hufbauer.

• Sanctions may be more effective against countries that have some degree of civil society. South Africa was authoritarian, but not totalitarian during the apartheid era. The ostracism by western democracies was, reportedly, psychologically traumatic for the South African elite. Ambassador Haass pointed out that many totalitarian regimes are impervious to this kind of pressure.

The United States has abandoned the concepts of incrementalism and proportionality in its warfighting strategies. In recent years, the United States has generally limited military interventions to situations in which the objective and conditions for withdrawal are well-defined. A number of participants urged that the United States adopt this cautious posture toward sanctions, avoiding indefinite commitments.