

Sanctions on the Sudan: What do economists and political scientists have to say on the subject?

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The United Nations has limited sanctions on the Sudan, and the United States very substantial sanctions. The House and Senate of the U.S. recently considered legislation to deny access to capital markets to companies that do business in the Sudan by prohibiting the issuance or trading of shares on U.S. stock exchanges (legislation passed in the House). I was curious about the received wisdom concerning economic sanctions, so decided to do a quick review of the literature. Do sanctions work? What kinds of sanctions work best? Here is what I found, along with a good dose of my own opinions.

Sanctions in general

If you want to answer the question of whether sanctions work, you have to start with the comprehensive work of Hufbauer, Schott, and Elliott (1990 and since updated on IIE website), from the Institute for International Economics, a centrist policy think-tank in Washington. They have created a database of the 170 or so international sanctions applied (by any country, on any country) since World War I. (So it averages to about 2 sanctions per year). The U.S. is a big sanctioner, but many other countries also implement sanctions. Russia currently has lots of sanctions on former republics of the U.S.S.R. The United Nations often coordinates sanctions. By their own criteria of “success” (was the stated objective of the sanction achieved; e.g. turning over of suspects; signing of cease-fire; restitution of assets; restoration of democratic rule), sanctions have been successful between 25-50% of the time. So it is about what you might expect. Do sanctions work? Yes, some of the time, and no, the rest of the time.

Hufbauer, Schott, and Elliott do have some more pointed things to say about what to do to make sanctions effective: work with allies; have a very modest goal (i.e. sanctions to overturn a regime will rarely be effective, the impoverishment of the population seems to forestall regime change) but have large effect on the country ‘receiving the sanction; target a country that is much smaller; and the targeted country is actual ‘friends’ with the sanctioner (i.e. sanctions from trade disputes between U.S. and Europe or Japan usually end up in a settlement).

Here is how Eaton and Engers summarize the theory behind success or failure of sanctions: “Success is more likely when the threatened measure costs the sender relatively little relative to the gain from modifying the targets behavior, while the damage to the target is large relative to his cost of complying with the sender’s will.”

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By the above theory, we have no clear ability to predict the effects of sanctions on the Sudan. Clearly the cost to the U.S. of implementing sanctions is very low. Even an embargo on gum arabic would be

small, when the resulting price increase from non-Sudanese supplies are spread out over the entire U.S. economy, and given the large stockpiles accumulated, the incentives and ease of smuggling, and likelihood of innovation for substitutes. On the other hand, there seems to be little willingness of European allies to go along with sanctions, and certainly Sudan's major trading partners in Africa and the Middle East (not to speak of China and Malaysia) are unlikely to go along with sanctions. Moreover, there are no clear "modest" objectives that have been enunciated by U.S. policymakers other than the original goal of the 1997 sanctions, now apparently realized of withdrawal of support for terrorist groups. Achieving a peace in the civil war, now in its 56th year (since 1955), hardly seems a "modest" goal. Operation Lifeline already had corridors open for relief to the South.

High-powered sanctions are thus unlikely to have any consequentialist justification in the absence of some compelling modest goal.

There are two other concerns, however. First, to the extent that policymakers view the present military regime, and its control over the population of northern Sudan, as a clear and present threat to other interests, then keeping the regime as poor as possible may be warranted, even if the population suffers. The supposed tradeoff then is not between the U.S. population (hardly hurt by the sanctions) and the Sudanese population (majorly affected), but rather the tradeoff between the Sudanese population and the Eritrean or Ugandan or Southern Sudanese population (now made more tricky by the large presence of southern Sudanese in northern Sudan). If this were to be the major justification for sanctions, then they should certainly be coordinated with the regimes that border the Sudan. Thus another problem arises; most of these regimes are non-democratic or even non-existent.

Second, sanctions need not necessarily have any consequentialist justification. There may be a legitimate moral obligation to not conduct trade with entities that violate basic rights and liberties. Sanctions are public displays of moral opprobrium. Here, for moral opprobrium to ring true, and be legitimate, the sanctioner must not bear responsibility for the situation, or carry out itself similar kinds of violations. This is the problem then the United States faces because of the mistaken unilateral cruise missile bombing of the al-Shifa factory, and pretty much unconditional support for an earlier dictator, Jaafar Nimieri. Until a clear and unequivocal policy of "laundry-airing, fact-finding, apologising and stated intent to restitute those damaged (through reasonable mechanisms)" is put in place, there can be no moral high ground.

So, U.S. policymakers, starting with Senator John Danforth, the new U.S. envoy to Sudan, have to think hard about what they want to achieve. Blind imposition of high-powered sanctions seem like the wrong basis, at this moment in time, for moving forward. This does not condone the actions of the military regime, but only says that effective action must be thoughtfully considered.

Gary Clyde Hufbauer, Jeffrey J. Schott, and Kimberly Ann Elliott, Economic Sanctions Reconsidered, second edition, revised, 2 vols. (Washington, Institute for International Economics, December 1990).

"Sanctions" Jonathan Eaton and Maxim Engers, Journal of Political Economy, 1992