

## Sanctions of the European Union: When and why do they work?

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Sanctions constitute one of the most frequently used tools of the Common Foreign and Security Policy (CFSP). A quick glance at the website of the EU's Foreign Affairs Council suffices to discover that many of the statements by High Representative Catherine Ashton nowadays refer to the use of sanctions vis-à-vis third countries. Yet, EU sanctions have been explored rather marginally in most studies of European foreign policy so far. The present contribution outlines the research design and the main findings of the work "The Efficacy of Sanctions of the European Union", a study assessing the ability of EU sanctions to bring about the political objectives they pursue, and exploring the conditions for their success and failure.<sup>2</sup>

Are EU sanctions effective? This question is interesting from several vantage points. Firstly, the EU has been imposing sanctions in the absence of a United Nations Security Council (UNSC) mandate since the early 1980s. However, as mentioned above, this practice has hardly been explored<sup>3</sup>, and none of the existing works on the topic has yet attempted to assess their efficacy in compelling the changes for which they are imposed. As the EU's autonomous sanctions practice becomes increasingly frequent and sophisticated, an assessment of the efficacy of these measures will improve our understanding of the character of the EU as an international actor. Secondly, since the mid-1990s, the EU adopted a practice of imposing targeted sanctions rather than comprehensive embargoes. Targeted sanctions are measures designed to canalise their effects to the leadership responsible for the objectionable policies the sender intends to modify rather than to affect the population of the target country as a whole.<sup>4</sup> Fifteen years after the shift to targeted sanctions, the impact of this type of measures and in particular their relative efficacy compared to traditional embargoes has not been comprehensively assessed. Thus, the present work intends to contribute to this task.

Under which circumstances do EU sanctions achieve their stated aims? And how can we account for their success and failure? Before starting to investigate this research question, the enquiry first looks into how sanctions have been traditionally assessed in the academic literature. Even though sanctions have a long history as foreign policy tools and have been used as such especially after the First World War<sup>5</sup>, sanctions research originated in the late 1960 with a seminal article published by Johan Galtung on the impact of the United Nations sanctions on Southern Rhodesia.<sup>6</sup> His article inaugurated a pessimistic strand of research which did not only determine that sanctions were failing to achieve their objectives in Southern Rhodesia, but considered them incapable of fulfilling their tasks, while ascribing to them perverse effects. This understanding was shared by the first generation of sanctions scholars during the 1970s. A breakthrough in sanctions evaluation occurred when a team of researchers from the Institute for International Economics published a study evaluating the entire international sanctions practice of the twentieth century, which found that sanctions had been at least moderately successful

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<sup>3</sup> De Wilde d'Estmael, T. (1998): *La Dimension Politique des Relations Economiques Extérieures de la Communauté Européenne*, Bruxelles: Bruylant; Jones, S.G. (2007): *The Rise of European Security Co-operation*, Cambridge: Cambridge University Press; Brzoska, M. (2006): *Sanktionen als Instrument der europäischen Außen- und Sicherheitspolitik*, Friedensgutachten 2006, LIT Verlag: Berlin, pp. 247-255; Portela, C. (2005): *Where and Why does the European Union Impose Sanctions?*, in: *Politique Européenne* 17 (automne/hiver 2005), pp. 83-111.

<sup>4</sup> Tostensen, A./Bull, B. (2002): *Are Smart Sanctions Feasible?*, in: *World Politics* 54(3): pp. 373-403.

<sup>5</sup> Charron, A. (2011): *United Nations Sanctions and Conflict*, Routledge: London.

<sup>6</sup> Galtung, J. (1967): *On the Effects of International Economic Sanctions, with Examples from the Case of Rhodesia*, in: *World Politics* 19, pp. 378-416.

in 33% of the cases.<sup>7</sup> Because it affirmed the possibility for sanctions to be successful, the work by Hufbauer, Schott and Elliot inaugurated a new, “optimistic”, strand of sanctions research whose aim consists in ascertaining the circumstances conducive to efficacy.<sup>8</sup> Even though its methodology has been subjected to severe criticism<sup>9</sup>, it provided a blueprint for successive researchers in the field.

In order to investigate the research question, the present work adapts the methodology proposed by Hufbauer et al. in an attempt to correct for some of its flaws. An effort was made to redefine the explanatory variables to the nature of the sender – a regional organisation – and the measures – targeted, often not economic sanctions. Variables have also been updated by incorporating the findings of the most recent sanctions research. In this light, the following hypotheses are put forward:

1. Sanctions are more likely to be effective if they inflict considerable **disutility** on the targets;
2. Sanctions are more likely to be effective if the disutility inflicted is **economic** in nature;
3. Sanctions are more likely to be effective if **third countries** support the EU stance;
4. Sanctions are more likely to be effective if the EU **adjusts its strategy** in response to progress or setbacks in the situation/policies it aims to affect;
5. Sanctions are more likely to be effective if the aims pursued by the EU do not imperil the **permanence in office** of the leadership it aims to influence.

These hypotheses are tested on a dataset featuring the entire autonomous sanctions practice of the EU since the signing of the Treaty of Maastricht, which provided for the creation of the CFSP. Sanctions regimes which had been agreed previously but were still in force are included. The sanctions universe is defined broadly. The dataset comprises sanctions regimes imposed by the EU within four different legal frameworks:

1. CFSP sanctions, adopted in the intergovernmental framework of the CFSP, are reflected in a Common Position. Measures imposed in this framework constitute the only “sanctions” according to the EU’s own understanding.
2. Informal sanctions are sanctions decided by the Council or the European Council outside the formal framework of the CFSP. They are reflected in Council Conclusions or presidential statements rather than in legally-binding documents.
3. Article 96 sanctions suspending the application of the Partnership Agreement between the EU and African, Caribbean and Pacific (ACP) states – routinely called Cotonou Agreement - on parties in breach of human rights and democratic principles. This entails the suspension of trade preferences and the freezing or redirection of development co-operation.
4. Withdrawal of trade privileges under the Generalised System of Preferences (GSP), technically a trade measure, occurs due to the violation of key labour standards protected by Conventions of the International Labour Organisation (ILO).

As a first step, the coded dataset is tested with a Qualitative Comparative Analysis (QCA). The choice of the QCA is justified on the basis of its capacity to identify combinations of variables accounting for particular outcomes. This corresponds to our expectation that the success of sanctions is to be ascribed to a set of circumstances rather than to a single variable. The QCA analysis successfully identifies three relevant combinations which predict efficacy; however, their coverage is very low, accounting for only a handful of positive outcomes. Thus, we can infer that even after the variables have been adapted to the specificities of the measures and the sender, those factors which are

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<sup>7</sup> Hufbauer, G.C./ Schott J.J./ Elliot, K.A. (1985): *Economic Sanctions Reconsidered. History and Current Policy*, Washington DC: Institute for International Economics.

<sup>8</sup> Blanchard, J-M.F./Ripsman, N.M. (1999/2000): Asking the Right Question: When Do Economic Sanctions Work Best?, in: *Security Studies* 9 (Autumn/Winter), pp. 219–53.

<sup>9</sup> Pape, R.A. (1997): Why Economic Sanctions Do Not Work, *International Security* 22(2), pp. 90–136; Pape, R.A. (1998): Why Economic Sanctions Still Do Not Work, in: *International Security* 23(1), pp. 66–77; Drury, A.C. (1998), *Revisiting Economic Sanctions Reconsidered*, in: *Journal of Peace Research* 35, pp. 497-509.

traditionally held to account for sanctions success are not fully capable of predicting the success of EU sanctions. In sum, the insights provided by classical sanctions research prove only partially relevant for the EU's sanctions experience. In the light of this finding, attention now turns to a case-study examination of the sanctions episodes that compose EU practice during the examined period.

The incidence of positive outcomes, defined as those instances in which sanctions contributed to a successful resolution of the crisis at hand, is generally low. What is most surprising is that article 96 suspensions record the highest incidence of positive outcomes. By contrast, the CFSP sanctions display mostly failures, and informal sanctions have an even lower success rate. The GSP suspensions have never been reversed. However, this group can hardly be regarded as representative, not only because it features only two cases, but also because both suspended beneficiaries – Belarus and Burma - are simultaneously targets of protracted EU sanctions campaigns. The concentration of most positive outcomes in the article 96 groups seems to confirm the hypothesis that even in the era of targeted measures, sanctions continue to prove more effective if they entail economic disutility for the target, which is normally the case with article 96 sanctions given that they consist of the partial suspension or the redirection of aid. At the same time, article 96 sanctions are mostly imposed in order to re-establish democratic rule in the target, which was initially considered one of the objectives most unlikely to be achieved. In any case, the number of episodes in which article 96 sanctions did not lead to success remains high enough to invalidate any assumption of automaticity between their presence and a positive outcome. By contrast, we also find episodes in the CFSP group where sanctions without economic character elicited limited concessions by the target that eventually led to the lifting of sanctions.

The case-study examination provides us with a series of insights into EU practice that had not been contemplated previously. Firstly, in those cases in which the crises were resolved, the lifting of the measures came about after the sender had conducted an intensive diplomatic campaign in which a deal was struck between the sender and the target. Such deal often emerged from a direct negotiation between both actors and consisted in an exchange in which both sides conceded to some extent, resulting in a watered-down version of the original demands. In other words, the EU managed to obtain some key concessions from the target, but it settled for outcomes notably inferior to the original aspiration. Uzbekistan – and for some time also Belarus<sup>10</sup> – are cases in point, and the same applies to various article 96 suspension episodes.

Secondly, the assumption that the pain inflicted by sanctions compels the target to seek accommodation with the sender is disconfirmed by the examination. Targets' motivation to seek accommodation with the EU is less due to a desire to be freed from the effects of CFSP sanctions, but because they see their ambitions of economic growth frustrated by the presence of sanctions. From the target's vantage point, the removal of sanctions opens up the possibility of enhanced investment and trade with the EU, along with the benefits they entail, which are unavailable elsewhere. Again, this expectation of increased wealth was openly expressed by targeted leaders such as Lukashenko, and remains very present in the calculations of ACP countries. The desire for upgrading relations with the EU is not exclusively motivated by economic considerations, but also by the aspiration for international prestige maintained by countries aiming for regional or global leadership, such as Uzbekistan or China.

Thirdly, an aspect that has often been overlooked in sanctions research is that of sanctions management, i.e. how the sequence of sanctions is crafted and updated; whether the sender responds to progress and setbacks by the target by adjusting the sanctions package. This aspect has been emphasised due to the risk that targeted leaders perceive themselves as being "demonised" and refrain from meeting demands out of a belief that the senders will not ease sanctions even in case of compliance. In the case of the EU, the examination insinuates that the highly structured process that characterises article 96 sanctions is conducive to a positive outcome. The suspension of aid can only be decided after high-level consultations have been held with the target, where a joint roadmap to rectify the identified breach can be agreed, thereby creating a framework for optimal communication. In addition, the negotiations with the target are conducted by a single actor, namely the Commission. This circumstance provides the EU side with ample flexibility, while it reduces the possibility that intra-EU disagreements can be exploited by the target. Compliance with the roadmap, once agreed, is directly monitored by the Commission through missions to the affected countries, which reassures the

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<sup>10</sup> Portela, C. (2011): The EU and Belarus: Sanctions and Partnership?, in: Comparative European Politics 9(4/5), pp. 486-505.

target of the possibility of lifting. Regrettably, these features are absent from the intergovernmental framework of the CFSP, which is characterised by opacity.

Yet, a final observation that emerges from the examination of the EU sanctions practice is that the framework under which the sanctions are imposed and the incidence of positive outcomes appear to be correlated. This correlation may indicate a relationship between the choice of legal framework and the expected efficacy of the measures: With the ACP countries, the EU entertains a close political relationship marked by economic asymmetry. Thus, sanctions have relatively good prospects of success. More difficult sanctions cases such as Sudan, which have a higher international profile and where the relationship is complicated by the presence of other senders, are dealt with in the CFSP framework, where the expectation of success is much lower. Informal sanctions find themselves at the lowest level of prospects of success: the low degree of unity and political will within the Council finds reflection in the lack of formalisation of the measures in a legally-binding Common Position. Finally, the almost void category of GSP suspension, applied against CFSP targets only, is normally imposed in the absence of any expectation of efficacy.