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cc/fc

Prime Minister
This contains some of the information which you wanted — though not on detentions.
There are some very good quotes in the Renwick book on sanctions. I have underlined them.
CDP 4/7

Can Tim have a copy for all Questions and I would like a copy to keep handy for me and

Foreign and Commonwealth Office

London SW1A 2AH

4 July 1986

Dear Charles,

South Africa

Thank you for your letter of 30 June.

I enclose a note which deals with your first three questions: recent states of emergency in Commonwealth countries; Commonwealth one party states; and deaths caused by the security forces in Commonwealth countries. It shows that some Commonwealth countries, although by no means the majority, have a distinctly stained record.

Nonetheless, Sir Geoffrey Howe takes the view that we need to be very cautious in the public use we make of this information, particularly at the present time during his two visits to Southern Africa and the run up to the Commonwealth Review Meeting. He doubts whether we will further our objectives at the meeting by deploying this sort of information and hopes that it can therefore be regarded strictly as background material.

[Actually it comes out heavily against sanctions as an effective weapon]

As regards sanctions, I enclose the concluding chapter of Robin Renwick's book "Economic Sanctions" published in 1981. His conclusions are that the arguments are by no means clear cut; he emphasises the importance of not expecting too much from a sanctions policy, but suggests that they have had some impact on occasions. In opposing sanctions it has of course been part of our policy to point out their ineffectiveness by reference to eg Rhodesia. Nevertheless the present government has imposed various forms of trade sanction four times during its term of office - Poland, Iran, Afghanistan and Argentina, as well as the recent limited measures against Libya. Too absolutist a line on the general ineffectiveness of sanctions per se can therefore land us in difficulty in explaining why we decided to apply them on previous occasions. So too with South Africa, where we already have a number of economic measures in place and have agreed to the making of contingency plans for more.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

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SOUTH AFRICA AND THE COMMONWEALTH

1. Commonwealth countries with recent states of emergency

ZIMBABWE: Continuously since Rhodesian UDI in November 1965, renewed annually every six months.

KENYA: Since June 1966 a Presidential Order (Section 25 of the Constitution) permits detention without trial. Has been renewed annually.

THE GAMBIA: From 1981-85 after an abortive coup.

INDIA: 1975-77 (declared by Mrs Gandhi)

SRI LANKA: In Northern and Eastern (Tamil-majority) provinces. Various emergency regulations in force since intercommunal rioting erupted in 1985.

BANGLADESH: Martial law since 1982

BRUNEI: State of emergency since 1963 revolt

2. Commonwealth One Party States

KENYA: Presidential candidates from the single party have been returned unopposed.

SIERRA LEONE, TANZANIA, ZAMBIA: Democratic in that the President has to obtain the support of the majority of voters to be declared elected.

MALAWI, SEYCHELLES

3. Significant deaths resulting from clashes between the security forces and the local population

NIGERIA: 6,500 deaths from 1980-85 in attempts by the Nigerian armed forces and police to eradicate members of the fanatical Maitatsine religious sect. About 1,000 deaths January-September 1983 in disturbances arising from presidential and legislative elections.

ZIMBABWE: Anti-dissident operations in Northern and Southern Matabeleland between December 1982 and spring 1984 led to in excess of 1,000 civilian deaths.

UGANDA: Government action against the National Resistance Army (NRA) from 1980 until January 1986 (when the NRA defeated the government forces) led to about 150,000 deaths, mostly civilians.

/BANGLADESH:

BANGLADESH: Frequent significant civilian fatalities since war of independence in 1971.

INDIA: Significant fatalities on several occasions, although most of the recent incidents which have been widely reported have stemmed from intercommunal violence and have not involved the security forces to a significant extent. Operation Blue Star (the clearing of the Golden Temple) in 1984 led to over 600 civilian casualties.

SRI LANKA: Significant numbers of deaths resulting from Tamil/Sinhalese racial conflict since 1983.

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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary 4 July, 1986.

SOUTH AFRICA

Thank you for your letter of 4 July enclosing certain details for which I had asked about conditions in Commonwealth countries.

Could you please add examples of cases where there had been extensive detentions without trial, with a few figures. One thinks of India in 1975-77 and Zimbabwe more recently.

(C.D. Powell)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

CDP

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6
CONCLUSIONS

There is an obvious difficulty in attempting any precise estimate of the effects of sanctions. It is impossible to isolate them from other factors or to judge with any confidence what might have happened if they had not been imposed. It is, however, possible to arrive at certain general conclusions. It is often argued, for instance, that "sanctions have no effect." Yet it is clear that in the main cases considered in this study sanctions did have considerable economic effects. Sanctions against Italy in 1935-36 caused a sharp fall in the value of exports and a severe cutback in imports. Italy's gold and foreign exchange reserves fell rapidly in the short period (eight months) in which they were in force. For Cuba the loss of the United States market for sugar was to a large extent offset by Soviet purchases. But Cuba did suffer in the early years from the loss of U.S. supplies of plant and machinery. U.S. sanctions against Cuba increased the costs to the Soviet Union of support for the Cuban economy.

Rhodesia represents the most ambitious attempt at sanctions enforcement and the only case in which comprehensive mandatory sanctions have been imposed under the appropriate provisions of the U.N. Charter. There can be no doubt that sanctions had a significant economic effect, causing a severe loss of export earnings and foreign exchange difficulties and acting as a constant brake on economic growth. Their effects were very clearly described by Mr. Smith, who was normally in the habit of dismissing them as no more than a "nuisance," in the Rhodesian Parliament in April 1973:

> The imposition of sanctions created many trading problems for us. We find that we are compelled to export at a discount and import at a premium. The result is that we lose out on both transactions. This has the effect of reducing profit margins internally and at the national level it has an adverse effect on our balance of payments and foreign reserves . . . because our foreign reserves are depleted artificially, our natural development is prejudiced. This clearly has a serious inhibiting effect on the creation of job opportunities.

Rhodesia, however, continued to be able to obtain essential imports and to find markets for its exports. The economy was diversified and sustained economic growth was achieved throughout most of the first decade of sanctions enforcement. The subsequent difficulties owed far more to the world economic recession and, increasingly, to the war than to sanctions.

Rhodesia would not have been able to withstand sanctions but for the non-participation of South Africa, leaving a huge gap in their application. It is possible to envisage circumstances in which sanctions might be universally applied against an "offending" country. In that event their efficacy would depend on the degree of self-sufficiency of the target country. The Rhodesian case, however, is the one in which, to date, sanctions have been applied with the *widest* international support. Partial sanctions enforcement has so far been the rule rather than the exception. Given the opportunities for fraud and evasion and the fact that for the "target" country this becomes a matter of survival, it has proved difficult to conceive of fully effective sanctions enforcement without recourse to a blockade or equivalent measures to isolate the country to which they are applied.

The difficulty of predicting the effects of economic pressures has been demonstrated in a number of cases. In the Abyssinian crisis the British Cabinet concluded that it was "impossible to say whether an oil embargo would be effective until it was tried."[1] Exaggerated expectations were entertained as to the economic effects of sanctions against Rhodesia and in other instances. As in the conviction of the German naval strategists in 1917 that Britain would be obliged to sue for peace if a certain proportion of her external trade were extinguished, the origin of most of the mistaken or overconfident forecasts of the effects of sanctions has lain in the static nature of the assessment. It was imagined, for instance, that if all the major importing countries agreed to a formal embargo on Rhodesian tobacco exports, Rhodesia actually would lose virtually all the earnings from those exports (which did not prove to be the case); and that Rhodesia could hardly withstand the loss of one-third of her external trade, which also did not prove to be the case. Any such assessments must make a large and, of necessity, unquantifiable allowance for the redirection of trade, leakages, disguised exports, and so forth. Such estimates have also been vitiated by the tendency, ignoring political factors, consistently to underestimate the strength of the resistance the imposition of sanctions—or other economic pressures—is liable to bring forth. The German experience in two World Wars demonstrates the ability of a sufficiently resilient economy—even one which, normally, is highly dependent on imports—to withstand an economic siege. Certain raw materials, especially minerals, which were regarded as indispensable turned out not to be so. Remarkable success in eking out scarce supplies was achieved by the reduction of consumption and substitution. In the Rhodesian case import dependence was reduced by the rapid development of manufacturing industry.

The implementation of sanctions is beset by many difficulties, described in the preceding chapters. It requires a complex administrative apparatus. It frequently is hard to reconcile the conflicting requirements of—or pressures on—the various departments of government (foreign affairs, commerce, treasury, agriculture, customs, etc.) to say nothing of the central banks and other agencies involved. The administration of financial sanctions is of itself a matter of great complexity. In the operation of any embargo difficulties of interpretation and demands for exceptions on humanitarian or other grounds invariably arise, necessitating a series of difficult and, frequently, controversial consequential decisions. Much greater bureaucratic tenacity is required in the pursuit of breaches than most governments are prepared to devote to such a purpose; and this kind of persistence, particularly in dealings with other governments involved, is liable to create considerable friction. There is a tendency to assume that all countries have a governmental apparatus which is actually capable of enforcing sanctions and that, having voted for sanctions, all countries will take the necessary legislative and sustained administrative action required to bring them into effect. This has not so far proved to be the case. In the case of many countries which do have the necessary apparatus, serious difficulty is liable to arise over the burden of proof. The governments of most countries will be reluctant to prosecute companies unless they are reasonably certain of securing a conviction. At times the juridical complexities may simply be used to resist demands from other governments for the more rigorous enforcement of sanctions. Frequently, however, the difficulties are genuine. In the great majority of breaches of sanctions, particularly those involving indirect trade, documentary or other positive proofs are unlikely to be obtained.

Some though not all of these difficulties of enforcement can be overcome if sufficient political will exists to make sanctions effective. Their observance depends to a large extent on the vigor with which governments are prepared to follow up suspected breaches by persons and companies within their jurisdiction. The energy with which national governments proceed to enforce sanctions, however, has tended to depend on their own direct interest in the case. Sanctions against Iran were much more rigorously enforced by the United States and sanctions against Rhodesia—despite the oil leakages—were more strictly applied by Britain than by most other countries. It has proved difficult to conceive of a case in which sanctions are enforced with equal zeal by all the major trading partners of the target country. The unevenness of their implementation rapidly increases pressures on governments which are enforcing them to adopt a more liberal interpretation to avoid forgoing important commercial opportunities. The effectiveness of sanctions and their enforcement depend crucially also on the extent of national support for the sanctions policy. The U.S. Administration has experienced relatively little difficulty in enforcing the embargoes on trade with North Korea, Cuba, Iran, or Vietnam. Sanctions against Rhodesia commanded much less support, particularly among the business community, in the United States as in Europe. In the Rhodesian case publicity became a major factor in sanctions enforcement. Reputable companies were concerned to avoid any suggestion that they were in breach of the law. Companies with important commercial interests elsewhere in Africa were increasingly concerned about the effect on these of non-compliance.

A characteristic of attempts to organize economic denial is the rapid redirection of trade around whatever obstacles are interposed. Undertakings by countries not applying sanctions to hold trade to "normal" levels have tended to prove of limited real effect and to be subject to very elastic interpretation. The U.S. "moral embargo" against Italy was largely ineffective. Neutral trade posed a major problem in both World Wars. Rhodesia was able to secure virtually all the imports it required by indirect trade. When from October 1973 the Arab countries sought to exploit the "oil weapon," the sudden increase in oil prices and, for a time, the cutbacks in production had dramatic effects on the world economy; but the actual embargoes imposed on deliveries to the United States and the Netherlands were short-circuited by the redirection of supplies. A similar phenomenon was evident in the case of the partial grain embargo imposed by the United States in response to the Soviet intervention in Afghanistan.[2] The effects were diminished by increased Soviet imports from other sources—though it was not possible to make up the entire shortfall and alternative supplies did entail some additional costs.

Sanctions almost invariably result in increased state intervention in the economy to which they are applied as governments introduce or intensify import and other controls to mitigate their effects. Embargoes on imports from a target country, except in the case of scarce commodities (e.g., certain minerals), have tended to be more effective than prohibitions on exports to them as a natural function of the intense competition for export markets. The embargoes on exports to both Italy and Rhodesia were largely ineffective; but the embargoes on their exports did substantially reduce their capacity to earn the foreign exchange needed to finance imports. Disinvestment—as distinct from the prevention of new investment—has proved virtually impossible to realize. For existing investment is to a large extent captive. Attempts to remove it on any substantial scale can be—and have been—relatively easily defeated by the imposition of exchange and other controls.

The initially attractive theory of the graduated application of sanctions, involving the progressive extension of embargoes in the absence of a satisfactory response, failed to take adequate account of the fact that the progressive application of sanctions allows more time for the target economy to adapt; while the real difficulty has been that of making even a comprehensive embargo sufficiently effective to produce tangible results. Selective sanctions are complex and difficult to operate, being liable to give rise to serious difficulties of interpretation, both within and between governments, as to what trade is permitted and what is not. Their effectiveness has tended to depend on the extent to which they are concentrated on particularly vulnerable export products, i.e., those for which alternative sources of supply are readily available, as in the case of Rhodesian tobacco; or in areas, such as weapons and high technology, where the embargoed items already are subject to stringent national measures of export control.

One of the most serious problems in the application of sanctions has been the very long time required for them to take effect. The estimates of economic experts, the British government noted in the Abyssinian crisis, were "apt to work out more slowly than they anticipated."[3] If governments are prepared to show sufficient determination in the matter, exports to and imports from a target country can be interrupted rapidly. But this is liable greatly to increase the costs to the country applying them. If existing sales or contracts are exempted it may take many months, as it did in the application of sanctions by most countries against Rhodesia and Iran, for trade flows to diminish. Trade with Italy in 1935-36 fell off more quickly in part because the lead times for most international transactions in the 1930s were much shorter than they are today. In the case of Cuba as in that of Rhodesia it took two to three years for sanctions to have their maximum effect. Thereafter the pressure exerted by them tended to diminish as the necessary processes of adaptation took place. The fact that the impact of sanctions can only be gradual and cumulative allows time to organize their evasion and, in almost every case, has created acute problems in relation to the political expectations that they will somehow yield quicker and more obvious results.

There is always a cost attached to sanctions. They are liable to inflict considerable economic damage on those applying them, as well as on those to whom they are applied. It is not only business interests which are liable to suffer. The loss of important raw materials, especially minerals, and of export opportunities is a source of great concern to the governments of major trading nations. Especially in a time of recession, particular concern is likely to be felt about the effects on employment. At times, however, in parallel with a disposition to exaggerate the effects of sanctions on the target country, there has been a tendency similarly to exaggerate the costs or other difficulties to those applying them. In the case of neighboring countries these are liable to be very significant; in other cases often much less so. As the German experience indicates it is not in general the case, for instance, that scarce minerals are irreplaceable. It is more often the case that they can be obtained elsewhere, or substituted; but in general at a substantially increased cost.

Nor does the loss of export opportunities always turn out to be as significant — or as absolute — as is feared. In 1935-36 the British government was concerned about the effect of the loss of coal exports to Italy on an already hard-hit industry. The President of the Board of Trade convinced himself that "irreparable" harm was being done to British trade. Italy, however, accounted for less than three percent of Britain's exports which, overall, did not decline in the sanctions period. In the case of Rhodesia, the phenomenon of indirect trade significantly reduced the real loss of exports to most of the major exporting countries — though Britain suffered particular damage in a market which, hitherto, it had dominated. Despite the partial embargo on the sale of grain to the Soviet Union, partly as a result of the redirection of trade, U.S. grain exports overall increased substantially in the period in which the embargo was in force. A significant problem, however, has proved to be the unevenness of the impact of sanctions on business and other interests in the country applying them. It has rarely proved possible to compensate enterprises affected by sanctions for the loss of trade resulting from them. Such action, apart from its potential costs, is liable to be both controversial and litigious, giving rise to a host of conflicting claims.

Far too little attention has been paid to the effects of sanctions on neighboring countries. These may be no less severe than the impact on the "target" country. Under Article 16 of the League of Nations Covenant member states undertook to assist each other to minimize the loss and disruption liable to result from the application of sanctions. A proposal adopted by the League Council envisaged attempting to compensate states particularly affected by the loss of Italian supplies or markets by increased imports by or exports from other member states. Of Italy's neighbors, Austria and Switzerland did not apply sanctions, while the results of the attempt to organize assistance for Yugoslavia were extremely meager. So far as military measures were concerned, the British government was conscious throughout the crisis that, if it resulted in a war, "mutual support" would not necessarily be forthcoming from other League members.

Similar problems arose in a much more acute form in the case of Rhodesia. Article 50 of the U.N. Charter provides that states confronted by special economic problems arising from the implementa-

tion of Security Council measures shall have the right to consult with the Security Council about a solution to those problems. It was recognized that Botswana, Swaziland, and Lesotho would not be able to apply sanctions against Rhodesia. Nor, initially, was Zambia able to do so. The economies of the two countries had been closely linked in the Central African Federation; and Zambia depended on Rhodesia Railways for much of its export and import trade. The decision to apply oil sanctions against Rhodesia necessitated an air lift of oil supplies to Zambia until alternative routes could be established. Security Council Resolution 253 of 29 May 1968 imposing comprehensive mandatory sanctions called for assistance to Zambia to help solve her special problems in carrying out the Security Council decision. These were serious. The Zambian government stated at the time that as a result of the Rhodesian crisis it had already incurred costs amounting to US $241 million, of which $46 million had been met by Britain. Mr. Smith was to claim that his opponents were prepared to fight "to the last Zambian." In 1976 U.N. officials estimated that the closing of the border with Rhodesia in 1973 had cost Zambia about $450 million. President Kaunda commented that the international community had been "more generous with moral than with material support." China had made a major contribution to reducing Zambia's dependence on Rhodesian routes with the building of the rail link to Tanzania. By 1978, however, Zambia was forced by bottlenecks on that route to resume exports and imports via Rhodesia. The experience of Mozambique following the border closure in 1976 was to demonstrate no less clearly that the limited amount of additional economic assistance received could in no way compensate for the economic disruption caused by the loss of cross-border and transit trade.

By no means the least of the difficulties attending the application of sanctions has been the problem of terminating them. For it frequently is the case when sanctions are imposed that inadequate attention is given to the circumstances in which it is envisaged that they should be lifted. In the case of Italy, the League of Nations got the worst of all possible worlds. The sanctions imposed were insufficiently rigorous to exert real pressure except on an extended time-scale; yet they were in force for only eight months. They were imposed in order to deter aggression. They were removed not because the aggression had been terminated, but because it had been successful. When sanctions have been imposed on a national or "voluntary" basis, the problem of their termination has related mainly to the political difficulties of withdrawing from a position once adopted or admitting that the expectations attached to a policy have not been fulfilled. Particularly if a sanctions policy has been adopted primarily or even partly to impress opinion in third countries the costs of abandoning it may be considerable, irrespective of the impact on the "target" country. Embargoes often are maintained primarily for historical reasons. It is quite possible for a government to find itself continuing to apply sanctions when circumstances have changed and it may itself no longer have much faith in the policy on the basis of which they were imposed.

So far as sanctions under general international auspices are concerned, the initial attempt under Article 16 of the League Covenant to impose an automatic obligation on member states to apply sanctions was unrealistic. The effect of the interpretative resolutions passed in 1921 was to mean that sanctions were decided by majority vote in the League Council and applied by those member states who supported them. There was no binding obligation on other League members to follow suit. Sanctions could be and were terminated by majority vote. The position is different under the U.N. Charter. If a determination is made under Article 39 of the Charter (as it was in the Rhodesian case) that a threat to the peace exists, resolutions may be passed which impose legally binding obligations on the member states—though such obligations in some cases have been disregarded with impunity.

This framework for the application of sanctions has given rise to different problems. A Security Council resolution requires the assent or at least the acquiescence of all five permanent members of the Council. Collective action under the mandatory provisions of the Charter is not, therefore, feasible in any circumstances in which one of them is the aggressor. In the Rhodesian case, particular difficulty arose from the fact that most of the British sanctions orders were subject to annual parliamentary renewal, while the mandatory sanctions imposed under U.N. auspices were open-ended. Most member states took the view that the *removal* of sanctions required a fresh affirmative resolution from the Security Council. This would have given any permanent member a potential veto over the terms of a settlement. The British government thus found itself in the unenviable position of having to secure annual approval in its own Parliament for the renewal of sanctions (and this in some years was no easy task), but having no certainty that the United Nations would terminate them in the event of a settlement the British Parliament considered satisfactory.

Sanctions are liable to have perverse effects, both political and economic. The effect of sanctions on the target economy may turn out to be by no means wholly prejudicial. In the case of Italy, the loss of exports was accompanied by a cutback in imports which actually resulted in an *improvement* in the trade balance. Financial sanctions proved to be a two-edged weapon. Italy's large debt rendered creditors anxious to avoid a default. The interruption of remittances to companies abroad helped the balance of payments in the short term. Similarly, the interruption of remittances had a beneficial effect on the Rhodesian balance of payments and helped to create sufficient liquidity in the Rhodesian banking system to enable credit to be made readily available for the diversification of industry and agriculture. These benefits were obtained at serious long-term costs in terms of the loss of foreign investment (but investment was still forthcoming from South Africa).

Of much greater significance was the diversification of the economy and greatly increased self-reliance which resulted from sanctions. In the decade from 1965 to 1975 the Rhodesian economy was transformed from virtually total dependence on the importation of manufactured goods in exchange for raw materials to a remarkable degree of self-sufficiency in most areas except oil and industrial plant and machinery. The successes in moving into or expanding the production of ferrochrome, refined steel products, railroad cars, consumer goods and so forth, were a product of local ingenuity and enterprise, under the stimulus of sanctions. The German economy responded to a much sharper economic siege in two World Wars with remarkable advances in synthetic production and innovations in the use of ferro-alloys in reinforcing steel.

Sanctions frequently—one might almost say, generally—are decided in large measure as a consequence of the lack of feasible alternatives. In the case of Iran, as in that of Rhodesia, they represented an attempt to achieve some external influence on the situation. In both instances an attempt was being made to achieve a real result. In virtually all the cases in which sanctions have been applied, however, the purpose has also been *demonstrative*. In a good many instances the demonstration of disapproval appears to have been the main purpose of applying sanctions. For in some of the more partial cases it can scarcely have been supposed that they would have much effect on the target country. The use of sanctions for demonstrative purposes rests on the conception that they are a way of "signalling" to the target country and, no less important, to other countries a government's position in relation to some manifestation of international—or internal—misconduct. There are international circumstances in which it may appear wholly inadequate for a government to confine itself to inveighing rhetorically against the conduct of another state and when it may consider it essential to demonstrate its disapproval by action as well as words, even at the cost of some damage to its own country's interests—the acceptance of such damage in itself indicating its determination. Such an attitude may also be intended to indicate the resistance further action of the kind is likely to encounter. The economic measures decided by the United States in response to the Soviet military intervention in Afghanistan were intended *inter alia* to serve this purpose.

Even if sanctions fail to make the target country comply, they may well serve a purpose which is useful in the eyes of those applying them. A government may consider sanctions useful if they serve to "declare its position to internal and external publics or [help] to win support at home or abroad."[4] It certainly is the case that sanctions policies often have been decided on this basis. The most important argument in favor of such a policy may be the desire to maintain or improve relations with third countries; or to impress domestic opinion. But the idea that sanctions may serve as a useful instrument of policy *irrespective of their impact on the target country* gives rise to certain obvious difficulties. Vis-à-vis the target country, the application of sanctions is liable to be incompatible with attempts to influence its policies by "persuasive" action (diplomatic démarches and so forth). Expectations often are entertained that it will somehow be possible to do both. This is likely to be the case only to the extent that sufficient real pressure is exerted to give the target regime a serious incentive to negotiate. Token or "mild" sanctions are liable to produce a reverse political effect, while enabling the government to which they are applied in turn to demonstrate that it can withstand them. Once it is apparent that such action is producing little effect on the target, those the demonstration is intended to convince may no longer be particularly impressed by it.

Considerable hopes have been placed on the *threat* of sanctions as

a way of inducing a country to alter its behavior. Sanctions do have an economic effect: obviously, therefore, any government has an interest in avoiding them if it can. The possibility—or likelihood—of the imposition of sanctions can have some deterrent effect by increasing the potential costs of a given course of action. The threat of sanctions did not, however, deter Mussolini from invading Abyssinia or Mr. Smith and his colleagues from their unilateral declaration of independence. In political terms, it is the latent or implicit rather than the explicit threat of sanctions which is likely to be most effective. For once a direct threat is made that sanctions will follow unless a certain course of action is adopted, the *amour propre*—and possibly even the political survival—of the "receiving" government will be at stake; and it will be liable to take its chance with the economic penalties rather than face the political humiliation of having to capitulate to external pressures. This will particularly be the case if the government concerned feels that its survival—or that of "the system"—will in any event be at stake if it *does* comply.

Sanctions were conceived as a means of resisting aggression without the need for resort to the use of force. Their main attraction has been as a way of exerting pressure on a recalcitrant power without causing excessive risks to the country applying them. There are times when sanctions may distract attention from other and more effective ways of achieving the desired result (e.g., the closure of the Suez Canal to Italian troop ships en route to Abyssinia). A blockade is a more effective form of sanctions policy, but one which offers a much greater risk of precipitating a conflict. While sanctions have not proved an effective instrument in terms of resisting aggression, they do have the virtue of offering an alternative to military action and, at times, of affording a government a means of containing pressures to embark on some much riskier course. Since sanctions do have a punitive effect, they can impose some penalty on international misconduct, though they are unlikely of themselves to bring it to an end. While sanctions, in this perspective, may often appear an attractive option, those governments which have sought to achieve a real impact on the target country—as distinct from purely "demonstrative" effects—have found that the problem of escalation may take other forms, as over whether to apply oil sanctions against Italy or to extend sanctions against Rhodesia to the whole of southern Africa. The imposition of sanctions is liable to lead to the dilemma of accepting either that they are going to be relatively ineffective, or the necessity of taking further and more difficult steps in an attempt to improve their effectiveness.

Sanctions in practice, though not always in intention, are an application of the principle of collective guilt, or at least collective punishment. External pressures, at least initially, may tend to promote social and political cohesion, rather than dissent. In increasing the sense of isolation of the society to which they are applied, they may not render it more amenable to external influence. In terms of incentive, it is not sufficient that sanctions are perceived as a penalty, or at any rate a nuisance. Alternative courses of action must also be perceived as lesser evils.[5]

The Rhodesian case exhibits all the difficulties which the international enforcement of economic sanctions may be expected to encounter; yet astonishment is still expressed when the same difficulties are encountered in other cases. The political effects which had been hoped for never materialized. Through the various attempts to negotiate with Mr. Smith in the early years, one factor remained constant: he was prepared to agree to majority rule, but only on condition it was deferred to the Greek kalends. The regime in this period was not brought progressively to modify its position—not because it was not suffering economic penalties, but because it was prepared to accept those penalties rather than agree to its own disappearance. It was all the easier for it to do so because, as yet, few of its supporters were having to make real sacrifices—yet support for it was maintained when, later, they were obliged to do so and indeed to risk their lives, and those of their families, for its survival.

Nor did sanctions succeed in encouraging the development of opposition within the white community. There was a failure to appreciate that no one was going to stand by and see the collapse of his business and personal fortunes. A third of the white electorate had consistently voted against the Rhodesian Front and they continued to do so; but there was no sign that their numbers were increasing. Sanctions did tend to place other elements of society in the same position as active supporters of the regime: most of those who had their homes and fortunes in the country found themselves engaged in their evasion. The regime in turn sought to create and exploit a siege mentality to silence or discredit its critics. The various pressure groups which had been expected to have an influence—the business

community or the farmers' leaders—seemed unable to make that influence felt. In terms of weakening internal support for the regime among the white electorate, sanctions were totally ineffective. A similar phenomenon has been noted in the cases of Italy and Cuba. It is important to note, however, as the counterpart of this paradox, the finding of the Pearce Commission that in Rhodesia the continuance of sanctions was supported by African opinion despite the effects on African standards of living.

Sanctions have been defined as the "penalty imposed to secure obedience to a law." Their purpose is to exert influence on the target country—to get them to "change their mind."[6] The theory of sanctions rests on the assumption that if subjected to economic penalties a nation will, as a matter of self-interest, change its conduct. The idea of an automatic correlation between economic deprivation and the loss of the political will to resist is, to say the least, questionable. The theory depends on the notion that people's income can be threatened rather like their lives. In the first place this is not easy to achieve; in the second, it may not produce the desired political result. It may be possible, as happened to some extent in the case of Rhodesia, to transfer the economic penalties to others; and the reaction to economic or other pressures depends on the character of the society to which they are applied. Such pressures are always liable to have the opposite effect. For the Europeans in Rhodesia, compliance meant majority rule. This they saw as a greater threat, not just to their economic well-being, but to their way of life.

The lack of correlation between their economic and political effects is the most serious of all the problems attached to sanctions policies. In discussion of the efficacy of sanctions, however, there is an alternative theory no less doctrinaire than that on which the theology of sanctions originally was based. *The idea that sanctions have no effect, impose no penalty, or that their avoidance (or termination) offers no incentive, is contrary to the evidence, as it is to common sense.* Financial sanctions did have some effect in the Iranian and other cases. Sanctions against Rhodesia did exert some pressure for a negotiated solution, though the pressure was never irresistible and they did so at the considerable political cost of tending to consolidate rather than diminish white support for the regime. In the final phase their premature removal would have encouraged resistance to a wider settlement. They had perverse effects on the Rhodesian economy, encouraging self-reliance and diversification. But their overall effect was to limit its expansion and in the long run to weaken the regime to which they were applied.

Despite the limited and uncertain results so far achieved from sanctions policies, the possibility of recourse to collective economic measures—with varying degrees of international support—remains an important factor in international relations and will continue to do so. The attempt to deny military or economically strategic materials or technology to a potential adversary is and will remain the most widely practiced form of embargo. The export of such items normally is already subject to effective national measures of control and it has proved possible to achieve systems of denial in this area which have been effective not so much in preventing as in slowing down transfers or technological "catching up." Any government faced with acts of outright hostility or the arbitrary expropriation of assets is likely to react by interrupting economic relations with the country concerned.

Even when their interests are not directly threatened there will continue to be circumstances in which governments will feel it necessary to declare their position by something more than words alone. The traditional method of breaking off diplomatic relations has been found in many respects to be the least effective sanction of all. It inflicts no real penalty on the target country and deprives the initiating government of a flow of first-hand information and the most effective channel of communication. The British government in 1965 did hope that sanctions against Rhodesia would bring about political change. But it also faced the prospect that, if no action were taken, this would increase the damage to Britain's position in other parts of the world. It was concerned at the possibilities the Rhodesian crisis offered for exploitation by the Soviet Union.* It did not consider that it could afford simply to acquiesce or appear to be acquiescing in what had happened. The imposition of sanctions was intended *inter alia* to declare its position on the fundamental question of racial equality. The decision of the European governments to join in sanctions against Iran, despite uncertainty as to their probable effects, was intended essentially as a declaration of solidarity with the United States over the question of the hostages.

*With Mr. Wilson speaking in the House of Commons of a "struggle for the soul of Africa" (12 November 1965).

Sanctions have been described as a "romantic delusion . . . Where military power is not employed and the enforcement of an embargo depends merely on the agreement of nations—whether or not expressed in a U.N. resolution—the result will more likely be annoyance than hardship."[7] It certainly is the case that, to date, they have very rarely succeeded in producing the desired result. Much confusion has arisen from the overambitious expectations attached to them and the fact that in many of the cases in which they have been imposed for "demonstrative" purposes, they have succeeded only in demonstrating their ineffectiveness. Still greater harm has been done by the imposition of sanctions in circumstances in which they were never really intended to be effective—as was the case, for some of the participants at least, with sanctions against Italy in the Abyssinian crisis. In the Rhodesian case it is at least arguable that they did more damage to the neighboring countries than to the one to which they were applied.

Sanctions were conceived in piety as a bloodless substitute for war—and, it was hoped, an effective one. If applied with sufficient determination, economic sanctions can and do produce *economic* effects. They may increase the self-reliance of the target country. They can also serve to render the attainment of economic objectives more difficult for it—to act as a brake on economic growth. One of the most serious flaws in sanctions policies has been reliance on the theory that they can be depended upon, beyond that, to have a *corrective* effect—to bring about the desired political changes. The avoidance of future fiascoes will depend *inter alia* on a much clearer understanding of the limitations of sanctions policies—and of why governments are likely to continue to find it difficult to do without them. On one level there is the indirect benefit of helping to contain domestic pressures to take some more drastic action vis-à-vis the country concerned; on another the continuing conviction that sanctions can help to demonstrate that certain types of conduct, if repeated or continued, will encounter real resistance, not merely verbal indignation.

The purpose of sanctions was conceived initially as being either preventive or remedial. Their main effect, however, has invariably been *punitive*. There are international circumstances in which it may become necessary to take some punitive action, falling short of the use of force, either to weaken the regime to which sanctions are applied or, by penalizing it for one undesirable action, to try to deter it from further action of that kind. Given the fact that they do have a punitive effect the possibility that economic penalties will be imposed is a factor it is desirable to maintain in the calculations of a government apparently bent on acting in defiance of international law. To abandon altogether the idea of recourse to sanctions in response to acts of aggression or other flagrant violations of international law or human rights would be to reduce the choice of response to one between military action and acquiescence—an unattractive choice at the best of times and particularly so in a nuclear age. In cases in which "real" sanctions are applied, provided (a) they affect a significant proportion of the target country's external trade (or external finance); and (b) there is sufficient international support, they can impose some penalty on the target country. They may have some deterrent effect, though they are not likely to do so if the regime believes its survival in any event to be at stake. Once applied they may, if sufficiently effective, weaken the target regime; but they will not necessarily change its behavior.

The purpose of this study is to suggest that, when consideration is given to the use of the "economic weapon," greater attention should be paid to the effects this is likely to have on the target country. Exaggerated expectations should not be entertained as to the likely economic effects, or the time-scale on which these may be felt; still less as to the probable political results. The possibility of recourse to sanctions is liable to be more effective as a means of pressure than their implementation. The threat of the imposition of sanctions may increase bargaining power with the government concerned, though it may do so in circumstances in which it becomes difficult for either side to give way. Minor or petty sanctions are virtually certain to produce a reverse political effect without exerting any real pressure. On the occasions on which it is thought right to have recourse to sanctions, it will be as well to do so without illusions. A sanctions policy should never be based on the initial fallacy, which was the supposition that it would prove possible to deter aggression or otherwise to change fundamentally the political conduct of states by the threat of economic penalties alone. The implementation of sanctions is essentially punitive, the effect—if there is sufficient international support—being to weaken the country to which they are applied. There are international circumstances in which this may be a necessary action to take. More ambitious claims should not be made for a sanctions policy.