

Forum: ECOSOC

Issue: The Impact of International Sanctions on Social and Economic Development

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Introduction

Economic sanctions have become one of the most important tools for managing states' affairs in international politics. These measures aim at changing the target nation's policies by inflicting economic damage. Economic sanctions are regarded as more humane and alternative to the military intervention; however, even though these measures are more often directed against governments, it is the people, who bear the cost.

Recently, the use of economic sanctions has dramatically increased. According to the research of "World Finance", since the early 1990s, the US, Europe and other developed economies have employed sanctions on other nations more than 500 times. Regardless of the major successes in Libya and Iran, sanctions have fallen short of achieving their objectives on numerous occasions. From Somalia and Rwanda in the early 1990s to today's restrictions on Cuba and Russia, economic sanctions ultimately prove ineffective.

When the targeted country has other trading options, unilateral measures have no real impact. Globalization provides a range of opportunities to shift an economic focus of a targeted country to different markets and trading partners, therefore, to maintain a sufficiently high level of trade. For instance, the impact of this issue is distinctly represented in the imposed western sanctions on Russia; the country remains free to cooperate with some of Asia's largest economies. Moreover, the longer sanctions are in place, the less efficient they are, as a targeted state tends to adjust to its new economic situation.

Definition of key terms

Assets freezing – the purpose of the assets freeze is to deny listed individuals, groups, undertakings and entities the means to support terrorism; to achieve this it seeks to ensure that no funds, financial assets, or economic resources of any kind are available to

them for so long as they remain subject to the sanctions measures (explanation of terms approved by the Al-Qaida Sanctions Committee on 24 February 2015).

Compulsion – the forcible inducement to act.

Economic sanctions – a tool used by countries or international organizations to persuade a particular government or group of governments to change their policy by restricting trade, investment, or other commercial activity.

Embargo - official suspension of import and/or export of some specific or all goods, to or from a specific port, country, or region, for political, health, or labour related reasons, or a specified or indefinite period.

Globalization – the worldwide movement toward economic, financial, trade, and communications integration; it implies the opening of local and nationalistic perspectives to a broader outlook of the interconnected and interdependent world with free transfer of capital, goods, and services across national frontiers.

Travel ban – as set out in paragraph 1 (b) of Security Council resolution 2161 (2014), obliges Member States to: “Prevent the entry into or transit through their territories of these [the listed] individuals, provided that nothing in this paragraph shall oblige any State to deny entry or require the departure from its territories of its own nationals and this paragraph shall not apply where entry or transit is necessary for the fulfilment of a judicial process or the [Al-Qaida Sanctions] Committee determines on a case- by-case basis only that entry or transit is justified”.

Unilateral – done by only one of the groups involved in a situation.

Background information

1) The history of sanctions

The first economic sanctions recorded in written sources were those imposed by the Delian League on the city of Megara (part of the Peloponnesian League) in 432 BC. The main goal was to prevent accepting fugitive Athenian slaves in this city and ploughing the sacred frontier territories. These sanctions are known as "Megarian decree". The effectiveness of sanctions was arguable. On the one hand, Megarian merchants suffered

heavy losses, but on the other hand, they were forced to turn to the allies. As a result of the Peloponnesian war, Athens suffered a crushing defeat, and the Delian League was eventually destroyed.

In Middle Age in Europe, economic sanctions were mostly local and short-term because of the changing configuration of trade and military alliances as well as the interests of individual rulers and influential people. In the XIX century, the main instrument of economic sanctions appeared to be the naval blockades - measures to prevent the maritime trade of a particular country with the others.

In the XX century, the use of economic sanctions has expanded mostly due to the development of international trade. The end of the Second World War presupposed the formation of a new conflict-free world order that excluded any possibility of imposing one state's (states') will on others. Thereby, taking this aim into consideration, the Yalta Conference in February 1945 initiated the creation of the UN, which was supposed to become a universal international organization whose main objectives were to maintain and strengthen peace and security and to develop cooperation among its member states.

With such a purpose, the UN Charter defined sanctions as a mechanism of compulsion to follow the international legal norms. Moreover, Article 41 of the UN Charter refers to the imposition of sanctions as the prerogatives of the Security Council. Nevertheless, from 1945 to 1990, sanctions were imposed only twice - against racist regimes in South Africa and Southern Rhodesia.

Nevertheless, since 1990, the UN has begun to more widely impose international economic sanctions against various states.

2) The impact

Sanctions might also bear serious consequences of ethical significance. Being supposed to increase the legitimacy of a targeted state, sanctions may create considerable suffering of a particular country. For instance, the sanctions imposed on Iraq (1990-2003). Due to the embargo the prices of basic commodities have dramatically raised, affecting the population of over 30 million people. Subsequently, the maintenance of infrastructure could not be financed; unemployment, poverty and high death rate have become major problems of the country. Even though these sanctions were supposed to undermine the power of Saddam Hussein, they led to a contradictory result.

Moving on, assets freezing, aimed to restrict the wealth of the rich, might have a negative impact on a considerable part of the population: average citizens might also

have savings in the national banks, and therefore, are put at risk. The process of getting a loan or proceed any transactions becomes in such case extremely problematic.

3) The effectiveness of sanctions

The effectiveness of sanctions is questionable. Despite the extensive use of them, sanctions have almost never achieved a stated purpose – to bring unethical behavior of a targeted country to an end. Economic sanctions can be associated with certain costs and risks, nevertheless they provide policymakers with an alternative to military intervention, therefore, possible resolution of particular issues with minimal violence

Relevant treaties and UN resolutions

The Chapter VII of the UN Charter, Article 39, gives authority to the Security Council to determine a “threat to the peace, breach of the peace, or act of aggression and may recommend, or decide what measures to take, whether economic, political, or use of force, to maintain or restore international peace and security.”

Currently, there are 13 regimes of sanctions aimed at providing political settlement of conflicts, as well as the fight against terrorism. Each sanctions regime is led by a certain sanctions committee, headed by a non-permanent member of the Security Council.

The following list demonstrates the countries which are still under the sanctions imposed by the UNSC:

- Afghanistan – Resolution 1267 (1999) – assets freezing, travel ban, arms embargo;
- Democratic Republic of the Congo – Resolution 1493 (2003) - assets freezing, travel ban, arms embargo;
- Iraq – Resolution 1483 (2003) - arms embargo, assets and transfers freezing;
- Iran – Resolution 1737 (2006) - embargo on the supply of materials sensitive to the proliferation of nuclear activities and the development of ballistic missile programs, ban on the export of weapons and related materials, ban on travel, assets freezing;
- Democratic People’s Republic of Korea (DPRK) – Resolution 1718 (2006) - arms embargo, embargo related to nuclear programs, travel ban, assets freezing;
- Republic of Côte d’Ivoire – Resolution 1572 (2004) – arms embargo, travel ban, assets freezing, sanctions against diamonds;

- Republic of Liberia – Resolution 788 (1992) - arms embargo (including weapons and ammunition, military vehicles and equipment, paramilitary equipment and spare parts for all of the above), the ban on the importation of any round wood and timber of Liberian origin, travel ban, assets freezing;
- Lebanese Republic (Lebanon) – Resolution 1595 (2005) - travel ban, assets freezing;
- Federal Republic of Somalia – Resolution 733 (1992) – arms embargo (including a targeted ban on the transfer of arms to individuals), travel ban, assets freezing;
- Republic of the Sudan – Resolution 1556 (2004) - arms embargo, travel ban, assets freezing;
- Republic of Sierra Leone – Resolution 1132 (1997) - arms embargo, travel ban.

Possible solutions

The precise impact of sanctions remains complicated to forecast. That is because the banks and companies perform the first line of sanctions implementation, and it is impossible to know exactly how they will manage this task. In some cases, they simply decide to cease doing business with entire countries for fear of violating sanctions, making the effect of the measures more draconian than intended. In other cases, sanctions end up being weaker than intended, as the private sector grows accustomed to complying right up to the boundary of legality.

Before turning to sanctions in order to address a problem, policymakers should ask themselves several questions.

Firstly, is there actually money at stake? Sanctions will influence a country's political leader only if their economy relies substantially on foreign trade or access to international financial markets. This is why sanctions programs that remain stagnant for years tend to be the least effective.

Secondly, will the economic pressure change the targeted country's policies? In general, the more politically active the population of the targeted country is, the more likely sanctions are to work.

Thirdly, the political objectives of sanctions shall be considered. Even the harshest sanctions are unlikely to result in complete capitulation, and it is reckless to expect any leader to commit political suicide in order to get sanctions lifted.

Economic warfare is a reality of the international environment, and perfecting the art of it will be essential to deter the incremental interventions.

Useful links

[http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/569020/EPRS_BRI\(2015\)569020_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/569020/EPRS_BRI(2015)569020_EN.pdf)

<https://www.economist.com/news/europe/21731662-personal-sanctions-against-regime-cronies-are-especially-tough-new-sanctions-are-about>

<https://www.theguardian.com/commentisfree/2017/nov/28/us-sanctions-bill-timebomb-donald-trump-vladimir-putin>

<http://www.aljazeera.com/news/2018/01/trump-waives-iran-nuclear-sanctions-time-180112164307626.html>

https://www.treasury.gov/resource-center/sanctions/Programs/Documents/hr3364_pl115-44.pdf

http://www.securitycouncilreport.org/atf/cf/%7B65BF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/special_research_report_sanctions_2013.pdf

<http://www.tehrantimes.com/news/420274/Iran-threatens-to-retaliate-against-new-U-S-sanctions>

<http://www.tehrantimes.com/news/416943/Foreign-finance-a-post-sanction-necessity>

<https://www.youtube.com/watch?v=ZqErePPxiE>

<https://www.youtube.com/watch?v=scDPOX9yeUg>