



AFRICA PROGRAM OCCASIONAL PAPER

Economic Sanctions are not an Effective Instrument for Political Pressure

By Jok Madut Jok
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In recent years, the United States Department of Treasury has imposed targeted sanctions on some war-affected African countries, often in response to pleas by activist groups in the United States or Europe. Advocates see these sanctions as the only way to deal with corrupt, autocratic, and violent regimes in which some government officials and their business associates allegedly take advantage of civil wars to amass wealth for themselves and promote those wars as means of profiteering. The activists, claiming that corrupt individuals have captured the state, argue for exacting better political behavior out of these leaders by targeting them with sanctions, including asset freezes, travel bans, and attacking their business networks.

In a recent *African Arguments*¹ piece on U.S. sanctions against Sudan, John Prendergast of the Enough Project—a Washington-based activist group that led the drive for recent sanctions against South Sudan—asserted that sanctions have evolved significantly over the past two decades from the “sledgehammer” to the “scalpel.” His argument advanced the idea that sanctions can be precisely targeted at individuals and their business networks, as opposed to targeting an entire country. His conclusion was that the effort to fight public malfeasance has evolved from concentrating on economic isolation of the country in question to focusing on a more surgical approach that excises the cancer (corrupt individuals or networks) without killing the patient (an entire country and its populace).

This distinction is important. Targeted sanctions against South Sudanese political, military, and business leaders

are a far cry from sanctions imposed elsewhere, (for example, by the United States against Sudan's al-Bashir regime for sponsoring terrorism, by the United States and others against Iran for enriching uranium to nuclear-weapon grade, or by the UN Security Council against Saddam Hussein's Iraq following its 1990 invasion of Kuwait).² In theory, the idea of targeted sanctions is smart. However, the concept of "smart sanctions" has long been contested by mounting evidence that a very thin line separates the application and enforcement of targeted sanctions versus other forms of sanctions, with the impact on ordinary people being the same.³ A Global Policy Forum article entitled "Smart Sanctions on Iran are Dumb" condemned sanctions targeting Iran's oil and gas industries for hurting the country's populace at large. Because Iran's "economy is dependent on its energy sector," the authors argued that sanctioning this sector deprived the Iranian government of income needed for popular food and housing subsidies.⁴

There are several fundamental problems with sanctions, targeted or not, especially as applied to countries at war, such as Sudan, South Sudan, the Democratic Republic of the Congo (DRC), or the Central African Republic:

1. First, information linking business networks to corrupt officials faces real credibility problems. Evidence is often acquired through leaks of unverifiable information from government offices, or via interviews with anti-government whistleblowers who might be more interested in implicating their government than in disclosing factual information. A report by The Sentry, an anti-corruption outfit created by Hollywood star George Clooney and associated with the Enough Project, was the basis for the campaigns to impose sanctions on South Sudan and the DRC.⁵ However, the report's claims have not withstood further probing into the business networks it suggested were linked to the countries' leaders. It did not take much to inject doubt into the impartiality of The Sentry's claims: for example, some of the companies it listed as linked to corruption in South Sudan simply did not exist. A key ripple effect is that sanctions based on weak and unverified evidence are unlikely to persuade countries in the region to cooperate with their enforcement.
2. Second, in the case of South Sudan, the persistence of war, slow implementation of the peace processes, continuing fractures within the political class, ethnic rifts, and massive human suffering have frustrated attempts to achieve peace and left world leaders with few options to assist in ending the war. Long-standing frustrations with the peace process have helped drive the application of sanctions as a way to show something is being done, even as there is recognition that the measures will not work. Sanctions largely fail to address the fundamental political problems undergirding corruption. There is no evidence that even a modestly successful sanctions regime—one that suppresses money laundering, limits weapons purchases, restricts the sale of the target country's natural resources, and starves it of foreign exchange—has ever forced a successful political transition.
3. Third, sanctions aimed at coercing senior military leaders and their suspected business associates fail to target political leaders who are the most influential in war-making decisions. In the case of South Sudan, The Sentry's investigation has grossly over-estimated the assets of the targeted individuals, with the exception of two business moguls suspected of being fronts for top political leaders. While no one in South Sudan is sad about their being targeted, the intended impact is small due to their ability to evade the sanctions through a regional banking system that is subject to bribery, use of alternate names, and political favoritism that wealthy individuals can easily procure.

4. Finally, and perhaps most important, is that to date the sanctioning countries have skirted around the political-military leaders who hold real decision-making power in the targeted country. For example, it is hard to imagine that South Sudan's rampant corruption is happening without the knowledge of the most senior government officials, from ministers to vice presidents all the way to the president—the very officials in whose hands lie decisions of war and peace. But to date targeted sanctions have not reached that high. The sparing of the real political and military machinery that makes decisions signals to those lower-rung officials who are targeted that they can go on enjoying the protection of the real power brokers who are spared. This is not to argue that the head of state be indicted on corruption charges, but rather to point out that sanctions cannot be an effective policy instrument.

The Case of South Sudan

Sanctions have created a heated debate in South Sudan about their real value, perhaps even further stoking the divides plaguing the country's collective well-being. On the one hand, many activists see sanctions as an effective tool to force the ruling elite and their business cronies to stop ravaging the economy. They argue that the impact of sanctions on the general populace cannot be worse than the suffering inflicted by the warring parties, so better more pain now with a promise of eventual change than the current, slow pain with no end in sight. This position is particularly associated with the millions in refugee and Internally Displaced Persons' (IDP) camps for whom, the argument goes, the situation could not get any worse, so if sanctions can weaken a government that does not care for them, all the better.

On the other hand, some South Sudanese citizens bitterly oppose sanctions, possibly because they support the government for a variety of reasons and believe the sanctions are aimed at toppling it. Others see sanctions as a foreign intrusion detrimental to the country's general welfare by stifling business and discouraging foreign investment—thus by extension boosting an embattled regime's public popularity. Still, others oppose sanctions based on their personal difficulties in receiving remittances from abroad. In their view, sanctions enforcement has been placed on the shoulders of banks, which—because they want to avoid the expense of distinguishing between targeted individuals and everyone else who is sending money to or from South Sudan—simply block South Sudanese banking transactions in general. As a result, a general populace already distressed by war-related economic collapse suffers the consequences. The lasting impression is that targeted sanctions are only targeted in name, while comprehensive in practice, such that few in the general populace remain untouched by the pain of sanctions.

If Sanctions do not Work, What Else Could Work?

The real question is not whether sanctions are sufficiently surgically targeted nor whether they are an effective tool in coercing corrupt officials profiting from war to change their ways. The real question is whether there are alternatives that are politically and morally affordable to the sanctioning countries. Put differently, corruption does not happen in a vacuum, related to war profiteering or not. It happens in a climate where political leaders thrive on corruption, are unwilling to acknowledge its damaging effect, and will not listen when called out. So sanctioning corruption without a conception as to how to bring about a transition that overhauls the political system will simply allow the corrupt to forge ahead with their capture of the state. This further entrenches corruption to the point where it becomes not only the engine that keeps the political machinery running but also the national culture. Sanctions alone cannot root out such

deep-seated malfeasance but are based on activist campaigns that have missed the point about the nature of corruption in countries suffering from malgovernance.

The obvious culprits are war, instability, and the weakness of state institutions. Sanctions will not stop the war; in fact, they can deepen the divides and harden the political positions that fueled the conflict in the first place. Building peace brick by brick is a function of state institutions being structured, empowered, and used by citizens to challenge the political-military class on the poor governance that stokes violence. Supporting state institutions instead of levying sanctions could have the twin benefit of building sustainable stability and forging goodwill among the citizens of the countries involved.

International players such as the United States and European Union, who draw upon campaigns by Western entities seen by some as non-neutral or bent on “regime change” in their decisions to impose sanctions, are avoiding more difficult options to address conflict.

These options include hands-on diplomacy, including providing support to judicial institutions in the targeted countries such that counter-corruption efforts enjoy local buy-in and a chance to shape the country’s political future. Therein lies the potential for the citizens of the targeted countries to become the champions of their political destiny such that within a generation, sanctions will be less tempting as tools for political change.

Western activist groups should share their findings with local activists in countries like South Sudan. Civil society could then use these findings to test the limits of their judicial system and the willingness of oversight institutions such as the Parliament, Audit Chamber, and Anti-Corruption Commission to live up to their mandates. Urgent change is needed to reduce atrocities, stop the war, and channel South Sudan’s resources toward the welfare of its citizens and away from financing the war. But sanctions will not accelerate this change and in fact, can deepen the factors that caused the crisis to begin with. It is best to come to terms with the reality that statecraft is a slow game, and any investment in it is likely to be more rewarding in the future than the temptation to seek shortcuts through punitive sanctions.

Conclusion

If sanctions are built on evidence collected by entities that are not impartial in a particular conflict, then they are based on false premises. At the heart of corruption is the failure of political leadership and oversight institutions to hold state officials accountable. Thus targeting the corrupt individuals is likely to fail if these officials continue to enjoy the patronage of the political system. History has not borne the effectiveness of sanctions that are blunt objects with no capacity to distinguish between targeted individuals and the general populace.

The question then becomes what policymakers can do, as their only options cannot be unworkable sanctions or no tools at all. If the United States sees unstable African countries as a security threat, sitting idle and doing nothing is not a viable option. If the sanctioning countries, together with activist groups that prompt them to adopt sanctions, find verifiable evidence linking public malfeasance to war profiteering, atrocities, regional insecurity, and human rights abuses in a country of interest, the best approach is to call that evidence to the attention of the government and civic activists and help them develop strategies for seeking redress in local courts.

It is important to support African counter-corruption champions by arming them with evidence of malfeasance that they may use to fight corruption, even if their country's legal system is weak and dominated by the executive branch. Armed with credible documentary evidence, local activists could shame or sue unscrupulous public officials and build confidence in and independence of the country's judiciary. This strengthened institutional capacity would empower the judiciary as a frontline agent against misconduct in public office. How otherwise does a country become truly sovereign if its citizens have to keep running to foreign countries and activists abroad to save them from the misbehavior of their own leaders? Corruption can only grow to acute levels when a country's top leadership is either directly involved and/or protects corrupt patrons. And if indictment of a sitting head of state on corruption charges is hard to prove or presents a diplomatic challenge, why engage in a futile exercise of indicting his lieutenants when it is known he will either protect them or only give them up if politically expedient?

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1. John Prendergast, "From Sledgehammer to Scalpel: How Foreign Powers can Support Sudan," *African Arguments*, September 24, 2019, <https://africanarguments.org/2019/09/24/from-sledgehammer-to-scalpel-how-foreign-powers-can-support-sudan/>.
 2. Angelo M. Codevilla, "Do Economic Sanctions Work?," *Hoover Institution*, no. 49 (March 29, 2018).
 3. Adam Taylor, "Do Sanctions Work? The Evidence is not Compelling," *Washington Post*, August 2, 2017, <https://www.washingtonpost.com/news/worldviews/wp/2017/08/02/do-sanctions-work-the-evidence-isnt-compelling/>.

While this piece does not refer to the distinction between generalized and targeted sanctions, it provides a reasonably long list and a variety of the types of sanctions many countries have applied since 1921.

4. Joy Gordon, "Smart Sanctions on Iran are Dumb," *Foreign Policy Focus*, September 9, 2010, https://fpif.org/smart_sanctions_on_iran_are_dumb/.
5. "The Taking of South Sudan: The Tycoons, Brokers, and Multinational Corporations Complicit in Hijacking the World's Newest Nation," *The Sentry*, September 19, 2019, <https://cdn.thesentry.org/wp-content/uploads/2019/09/TakingOfSouthSudan-Sept2019-TheSentry.pdf>.

Cover Image: Internally displaced children in a camp in Juba, South Sudan. Photo courtesy of the United Nations via Flickr Commons. https://www.flickr.com/photos/un_photo/16736757735/.

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