

# Narrowing the Application of Targeted Sanctions in US Foreign Policy

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Policymakers often apply historical, context-specific solutions to contemporary cases, especially in foreign policy. After World War I, the West scrambled to assemble an international body devoted to collective security, the League of Nations, to prevent another Great War. Yet Japan invaded Manchuria, and Germany invaded Poland. While the League of Nations could have prevented World War I, it couldn't prevent World War II.

Collective security from the 1950s to 1990 is generally described according to mutually assured destruction (MAD) theory, whereby the threat of a nuclear apocalypse allegedly kept the Cold War "cold." However, smaller conflicts such as skirmishes and brush-fire wars showed MAD theory could bring about only nuclear security, not comprehensive security.

Since the 1990s, the UN Security Council has preferred using economic statecraft and sanctions to ensure peace and prevent bloodshed. However, even economic sanctions have failures and victims, and, as a result, targeted sanctions have not become the primary form of economic statecraft.

Targeted, or "smart," sanctions are uniquely attractive to policymakers. First, they have an ethical appeal in targeting specific sectors and actors rather than an entire economy, mitigating collateral damage. Second, they are uniquely positioned to respond to internal pressures from interest groups, lobbyists, and the like when they call for action against an aggressor or violator of international law.

When Saudi Crown Prince Mohammed bin Salman (MBS) was accused of killing the journalist Jamal

Khashoggi, the international community was outraged, and many Americans called for President Donald Trump to act. President Trump, however, was hesitant to jeopardize economic relations with the Saudis. Thus, as a middle-road approach, he implemented targeted sanctions on several aides, but never on MBS. Targeted sanctions thus allowed action without compromising crucial interests abroad.

Because of their versatility, and because they do not significantly impede trade flows, targeted sanctions are commonly viewed as the result of a "fruitful collaboration between scholars, policymakers, and diplomats. The smart sanctions approach has been accepted as an example of 'best practices' in both the United Nations and the United States."<sup>1</sup> Due to their attractiveness, targeted sanctions represent the latest fad in foreign policy and are treated as the panacea to a host of international problems.

As a result, the scope of targeted sanctions has been substantially broadened, causing them to become less distinguishable from their broad-based counterparts, economic sanctions. Targeted sanctions now have victims, and their success rate in generating policy concessions is alarmingly low. This overreliance has reduced, rather than enhanced, targeted sanctions' efficacy in advancing US interests abroad.

Using a comparative case study as its primary method, this report will examine the United States' use of targeted sanctions and seek to narrow their scope and application according to their intended design. Targeted sanctions are designed for specific

sets of circumstances and thus will never be the panacea policymakers seek.

## Literature Review

Western democratic nations' introduction of sanctions (specifically, broad-based economic sanctions) in the 20th century represents a clear shift in foreign policy and coercion. Due to their supposedly "bloodless" impact, sanctions have garnered praise and approval and have increased. However, in recent years, a growing body of literature has critiqued sanctions, arguing they do not eliminate suffering but merely redistribute it.<sup>2</sup> The development and implementation of sanction theory are worth tracking and will enable policymakers to discern when to employ targeted sanctions.

**Introduction of Targeted Sanctions.** Based on a growing body of literature, critics of economic sanctions argue the impact of economic sanctions on civilian populations justifies discarding the practice. The sanctions on Iraq during the Gulf War were among the most notable examples of economic sanctions' harm to civilians. In 1995, a study conducted by the UN Security Council discovered that 576,000 Iraqi children may have died from the economic restrictions imposed by these sanctions, with many more predicted to die from starvation and malnutrition.<sup>3</sup>

These sanctions cost Iraq half its gross domestic product (GDP), with an estimated loss between \$175 and \$250 billion in potential oil revenues. Crippling the Iraqi economy trickled down to family budgets; the price for a family's monthly food supply increased 250-fold over the first five years of the sanctions. Cuba's, Burundi's, Haiti's, Nicaragua's, and the former Yugoslavia's civilian populations also suffered significantly under economic sanction regimes.<sup>4</sup>

Targeted sanctions were created to target particular individuals in a regime or country, rather than an entire sector or economy, to avoid these negative externalities. Since September 11, there has been a more pronounced shift toward targeted sanctions as the preferred instrument of economic statecraft.<sup>5</sup>

**Effectiveness of Targeted Sanctions.** Targeted sanctions are designed to target elite supporters of the violating regime to pressure the regime to make the policy changes stipulated by the sanctioning body. They are typically composed of travel bans, asset freezes, arms embargoes, capital restraints, foreign aid reductions, and trade restrictions.

These sanctions mirror "smart bombs," focusing "their impact on leaders, political elites and segments of society believed responsible for objectionable behavior, while reducing collateral damage to the general population and third countries."<sup>6</sup> Targeted sanctions aim to pressure certain actors to achieve an end while sparing the target country's population from economic harm.

However, setting goals for targeted-sanctions regimes is enigmatic; almost any given case of sanctions can be viewed as a success or failure depending on one's goal. Therefore, to determine a sanction's effectiveness, one must decipher the goal of the sanctioning regime. Was the sanction intended to change a target regime's behavior or take a principled or symbolic stance? These are among the first questions that must be answered before conducting a review of any case.<sup>7</sup>

In any form of planning, a strategy is incomplete without a stated goal. Much of effective targeted-sanctions regimes' success can be attributed to their narrowly tailored and realistic goals. Conversely, the many failures of targeted sanctions often result from lacking a clear goal or, as is more often the case, having too broad a goal from the outset.<sup>8</sup>

Targeted sanctions are typically imposed to promote democratic reform, where they aim to alienate criminal political elites and government officials from civilian populations. This was attempted in Russia through the Magnitsky Act.<sup>9</sup> These targeted sanctions were designed to coerce Vladimir Putin out of Crimea, clearly attempting to generate a policy concession by economically isolating Putin from his supporters.<sup>10</sup>

However, some scholars purport that sanctions have other goals. First, a sender country would sanction a target country for domestic reasons. For example, in the case of Myanmar after the Rohingya

atrocities, Human Rights Watch, along with 45 other nongovernmental organizations (NGOs) and over 400 members of Congress, formed a coalition to impose stricter measures on Myanmar's military for its crimes.<sup>11</sup>

Sanctions are also implemented to simply take a principled stance. If a Western country conducted trade with another country known to be violating its people's rights, then the Western country would further propagate the legitimacy of the violating regime, making itself morally complicit.

While these two policy goals (symbolic goals) tend to blend, they still represent alternative goals to policy concessions. However, not all scholars would agree with this assessment. Daniel W. Drezner argues that sanctions were generally imposed to achieve policy goals rather than domestically motivated or principled goals.

Drezner gives an empirical argument with a theoretical basis: If symbolic goals were indeed primary motivators for sanctions, then democracies would achieve policy concessions through sanctions less often than nondemocratic states do because the targets and enforcement required would be different. If, however, sanctions were generally imposed to elicit policy concessions, as Drezner believes, there should be no difference in the success rates of democracies and non-democracies.

Drezner's research shows consistent results between democratic and nondemocratic countries.<sup>12</sup> While his analysis is compelling, it examines broad-based economic sanctions rather than targeted sanctions. Because of their significant differences ranging from scope to application, one cannot assume the results would be identical.

Targeted-sanction strategies typically aim to alter the incentives of powerful supporters to eventually pressure the targeted government to make concessions. This is done by causing financial difficulties for particular individuals rather than an entire country. However, this is only possible when political and economic power is concentrated in the hands of those individuals, raising the stakes.<sup>13</sup> As previously indicated, determining success requires clearly defining its goal, because

perspective and interpretation are significant factors in determining effectiveness.

**Impact on Civilian Populations.** Even effective targeted-sanctions regimes have to answer the humanitarian question that struck the near-fatal blow to their predecessor: Do the sanctions minimize collateral damage? While quantitative empirics are limited for so young a method, a growing body of literature suggests targeted sanctions have humanitarian concerns.

Targeted sanctions are certainly more surgical than broad-based economic sanctions are, but any disruption in the chain of trade tends to disrupt a country's economy.<sup>14</sup> Civilian populations often depend on the targeted individuals for jobs and as clientele. If these violators produce commodities that are essential to the economy or health of the population, then sanctions on those individuals can have widespread effects. Legitimate businesses, and even legitimate governmental functions such as welfare, health care, and other public safety provisions, can therefore be affected.<sup>15</sup>

It is impossible to impose sanctions that do not affect a target regime's population. That said, when compared to economic sanctions and embargoes, their harms are vastly smaller and far more nuanced. Therefore, when it comes to collateral damage, targeted sanctions seem to be the politically and morally preferable instrument of economic statecraft. The question isn't whether a sanction will affect the target regime's population, but rather whether the predicted cost to the target regime's population will be worth it.

The answer lies in the targeted sanctions' effectiveness in compelling policy concessions. However, this creates a vicious cycle that ties a targeted-sanctions regime's effectiveness to its ability to minimize collateral damage and vice versa.

To illustrate this, one need only look at Zimbabwe. Sanctions were effective at undermining dictator Robert Mugabe's political support through the creation of the Global Political Agreement, which allowed for opposition in the new government.<sup>16</sup> However, the targeted sanctions also boosted the popularity of the target regime in the eyes of its constituents.<sup>17</sup>

Certain party officials and ministers in Zimbabwe who were targeted by the EU even requested to remain on the sanction list because they feared being removed while other fellow members remained, thus appearing as sellouts.

This phenomenon is widely documented and relatively undisputed among scholars. According to one global dataset of 120 sanctions episodes from 1990 to 2011, many sanctions were practically welcomed by the target regimes, as they bolstered the regime's legitimacy in the eyes of its people.<sup>18</sup>

## Case Studies

This section will examine the cases of Libya and Myanmar, which can be classified as successful and unsuccessful, respectively. Both illustrate the negative externalities that result from overusing and misapplying targeted sanctions. It then examines the ongoing and complex matter of US targeted sanctions on Iran using the previous two cases as guides for increasing effective engagement with Iran.

A methodological warning: Case studies are useful when considering sanctions, but mistakes can be made when attempting to infer general principles and apply them to particular situations.<sup>19</sup> Thus, it is important to not identify contemporary cases with historical ones, but rather use them as guides allowing for the unique contingencies that exist in each situation.

**Libya: The Good.** Targeted sanctions as a policy tool debuted in 1992 against Libya after the Pan Am bombings of 1988.<sup>20</sup> Pan Am Flight 103 ruptured from the inside over Lockerbie, Scotland, at 31,000 feet, killing all 259 people aboard and 11 people on the ground. US and UK investigators suspected that Libyans Abdelbeset Ali Mohmed al Megrahi and Lamin Khalifah Fhimah were responsible. The United Nations Security Council (UNSC) adopted Resolution 731 condemning the bombings and requiring Libya to comply with the investigations.

When Libya failed to comply, the UNSC adopted Resolution 748, imposing the first set of multilateral

targeted sanctions against Libya.<sup>21</sup> The sanctions were composed of asset freezes, travel bans, and an arms embargo on the Libyan Arab Jamahiriya and had a limited and well-defined goal: extradite the Pan Am suspects for trial.<sup>22</sup>

The targeted sanctions were largely successful in preventing collateral damage. Libya condemned the sanctions as harmful to the civilian population and the travel bans as inhibiting important religious practices. Regarding the economic and psychological harms on the people, a UN fact-finding "Petrovsky report" found that the humanitarian impacts were minimal. It also found that any impacts suggested the Libyan authorities were not using the proper mechanisms provided by the UNSC and Sanctions Committee. Regarding the travel bans, exceptions were made for direct flights from Libya to Jeddah for religious pilgrims, and the Sanctions Committee approved certain flights for medical evacuations.<sup>23</sup>

The targeted sanctions did not prohibit oil production or food and medicine importation, allowing the economy to continue with necessary functions while maintaining pressure on the government. While Libya was heavily dependent on oil, the Sanctions Committee declined to interrupt Tripoli's biggest industry and instead targeted offshore assets and placed a moratorium on transferring oil technology with Libya.<sup>24</sup>

This, combined with diplomatic pressure on Libya from important international organizations, had a considerable impact on the legitimacy of the Libyan government, ultimately leading to its concession by extraditing the suspects for trial. This was the UNSC's first successful multilateral targeted-sanction regime.

The success of Libyan targeted sanctions can be attributed to various factors. First, and most importantly, the targeted sanctions were not the sole prong of enforcement; instead, targeted sanctions were part of a broad strategy of international pressure. The sanctions themselves placed considerable pressure on the Libyan economy, though the sanctions alone would have likely been unsuccessful. Resolution 748 included requests for other governments and international organizations to reduce or remove Libyan delegations, significantly undercutting

Libya's international platform.<sup>25</sup> As a result, normalizing diplomatic relations became the Libyan government's central priority.

The second reason for success was that the targeted sanctions' enforcement was multilateral. Targeted sanctions are clearly more effective when they are enforced multilaterally, but this is a principle rarely followed. Because targeted sanctions are superficially attractive to many policymakers due to their targeted and ostensibly bloodless approach, they are generally of little import and target internationally nefarious characters, such as in the case of targeted sanctions on MBS's aides.

After the murder of Turkish journalist Jamal Khashoggi, President Trump, under enormous domestic pressure to take action against a valuable trade partner, placed targeted sanctions on 17 individuals working for MBS. All were either already in prison or on death row, rendering the sanctions merely symbolic.<sup>26</sup> Using targeted sanctions in this manner, and unilaterally, renders them a less-legitimate form of economic statecraft. It is therefore important for policymakers to employ targeted sanctions multilaterally more consistently.

While the following case studies prove this further, the Libyan sanctions' success was also due partly to their relatively low humanitarian impact. While the Libyan economy suffered, its single largest industry, oil, remained largely intact. Had the UNSC and Sanctions Committee targeted oil production and sales, Libya would have experienced a sheer economic collapse, resulting in a host of humanitarian issues that would have only solidified collective Libyan defiance of Western institutions.

**Myanmar: The Bad.** Western sanctions on Myanmar have been extensive and generally unfavorable. The United States imposed economic sanctions on Myanmar in the 1990s, while the EU imposed targeted sanctions. These sanctions targeted the military junta for suppressing democratic opposition, most notably led by Aung San Suu Kyi, at the time an international champion for human rights and democracy.<sup>27</sup> The sanctions' goal was simple, though overly broad: promote human rights and democracy.<sup>28</sup>

However, they were ineffective at generating concessions from the junta. Instead, the sanctions decreased the United States' influence and bargaining power while increasing anti-Western sentiment.<sup>29</sup> Eventually, beginning in 2010, the military started making concessions, and in 2013, after undergoing political reforms, the EU lifted all but its arms embargo against the country and opened a representative office in Yangon.<sup>30</sup> It seemed at the time the sanctions were achieving their policy goal.

In 2016, the Barack Obama administration began lifting economic sanctions to encourage democratic progress and economic growth. This move contradicted the advice of several NGOs that observed signs indicating further suppression of the Rohingya, an ethnic minority in Myanmar, who were effectively denied citizenship through the 1982 Citizenship Law. This made them one of the largest stateless populations in the world, numbering well over one million.

In August 2017, Myanmar's military started its campaign of ethnic cleansing including mass killings, sexual exploitation, arson, and forced displacement. The escalation of violence caused a massive outflow of refugees; estimates claim around 700,000 refugees have fled the Rakhine province to surrounding countries.<sup>31</sup> For many in the international community, this event was reminiscent of the Rwandan genocide, and calls for the West to act again resurfaced.

While previous sanctions' failures should have been cause for caution, the United States instead imposed targeted sanctions on individuals in Myanmar's military under the authority of the newly passed Magnitsky Act, and again with the broad goal of promoting human rights.<sup>32</sup> Like the sanctions that came before, these sanctions have been generally ineffective at generating concessions and extremely costly to the Myanmar people.<sup>33</sup> Although targeted, the effect of the sanctions has fallen most heavily on the poor and economically disadvantaged.

This is due largely to the clientelist nature of Myanmar's society. Clientelism is the codependence of two different groups in a society or economic relationship (in this case, the people of Myanmar and the military, which controls a significant portion of Myanmar's economy) in which the prospects of the

elite are strongly tied to the economic prospects of the population at large.<sup>34</sup>

Because of the strong clientelist ties in Myanmar's culture, targeted sanctions' efficacy in generating policy concessions depends heavily on their ability to avoid harming the target population. Targeted sanctions, from a theoretical perspective, aim to alienate the elite from the people. However, in instances of clientelism, such as in Myanmar, alienating the two becomes extraordinarily difficult.<sup>35</sup>

To date, the targeted sanctions on Myanmar's military have unsuccessfully avoided harming the target population, rendering the targeted sanctions themselves unsuccessful. First, there has been a significant decline in foreign direct investment (FDI). Approved FDI dropped approximately 30 percent from 2015–16 to 2016–17.<sup>36</sup> In the first quarter of fiscal year 2018, FDI declined from \$3.14 billion to only \$1.34 billion.<sup>37</sup> Hanta Myint, chairman of the economic committee for Aung San Suu Kyi's ruling National League for Democracy, asserted that this directly resulted from Western countries fleeing Myanmar because of sentiment regarding the recent atrocities and economic fears resulting from the sanctions.

In addition, tourism has historically been a vital component of Myanmar's economy. Early tourism projections were highly favorable, expecting the country to attract 7.5 million visitors by 2020.<sup>38</sup> But due to new sanctions and slowed economic growth, tourist numbers declined from 4.7 million in 2015 to 2.9 million in 2016.<sup>39</sup> This has resulted largely from negative media, plummeting hotel occupancy to as little as 20 percent.<sup>40</sup>

The sanctions have also affected the textile industry. This is unsurprising given the textile industry was severely affected by the previous sanctions regime. Myanmar has historically been a large exporter of textiles to the United States. However, the United States' economic sanctions shut down 64 textile factories, resulting in an estimated 180,000 jobs lost mostly by young women of poor families seeking supplemental income.<sup>41</sup>

Additionally, the EU accounted for nearly 47 percent of Myanmar's garment exports before levying sanctions. According to the European Chamber of

Commerce, estimates suggest the new sanctions could put 450,000 garment workers out of work over the next four years.<sup>42</sup>

Due to the negative impacts on the civilian populations, targeted sanctions' effectiveness has been undermined by deeply rooted, and growing, anti-Western sentiment.<sup>43</sup> This diplomatic failure is also due largely to a misunderstanding of Myanmar's culture.

While the military has mainly been blamed for the atrocities against the Rohingya—and rightly so, as the evidence suggests—the military was not solely responsible. Local vigilantes took part in ethnic cleansing.<sup>44</sup> This reflects the majority of Myanmar's population's belief that the Rohingya are outsiders, noncitizens, and a threat to their culture and accordingly do not belong in Myanmar.<sup>45</sup>

This narrative was widely shared on social media. A recent UN report found that posts on platforms such as Facebook helped shape public perception in Myanmar against the Rohingya minority.<sup>46</sup> Ultrationalist rhetoric has dominated the scene, with many Buddhist leaders using hate speech through virtual means to incite violence against the Rohingya.

If the sanctions are to be effective, a strong diplomatic message must be sent to force internal pressure. However, this does not appear viable, especially considering the existing deep-seated ethnic feud between the two groups.

Myanmar teaches that policymakers must be intimately familiar with cultural ties and dynamics and examine potential target countries case by case. This method is not encouraged by the Magnitsky Act, which gives indiscriminate power to the executive branch to impose targeted sanctions to promote democracy and human rights.

Had sanctions been executed properly, the historical precedent of previous sanctions on Myanmar and the clientelist nature of Myanmar's economy would have made this lesson clear. Policymakers must refrain from using evoked sets to determine whether sanctions are appropriate. They are not the panacea; target countries must be analyzed case by case.

**Iran: The Ugly.** The United States has an extensive, ongoing history of conflict with Iran, with sanctions

beginning in 1979 after a group of students stormed the US embassy. The Islamic Republic steadily endured the first rounds of the United States' economic pressure, but the pressure increased on Iran as much of the West joined and the sanctions became multilateral. Eventually, Iran acquiesced to the controversial 2015 Joint Comprehensive Plan of Action (JCPOA), which relieved economic pressure from the US, UN, and EU.<sup>47</sup> In 2018, the Trump administration renounced the JCPOA and reinstated sanctions, resulting in severe economic harms in Iran as companies retreated and oil exports decreased.<sup>48</sup>

The United States' most notable action, for purposes of this report, was designating the Islamic Revolutionary Guards Corps (IRGC) as a terrorist organization. The decision was made on April 8, 2019, per Executive Order 13224, a post-9/11 mandate that stipulated freezing US-based assets of entities supporting terrorist organizations.<sup>49</sup>

These targeted sanctions on the IRGC were not new; the US placed unilateral targeted sanctions on the IRGC in 2007.<sup>50</sup> The new designation and renewed targeted sanctions are part of the Trump administration's "maximum pressure" campaign aimed at renegotiating the JCPOA to address US concerns though it has yet to elicit Iranian concession.

Similar to Myanmar's clientelism and the interconnectedness of its military junta and economy, the IRGC is deeply entrenched in the market and owns a large bulk of the Iranian economy.<sup>51</sup> Therefore, claims that these sanctions target the Iranian government and not the people are based not on reality but rather political rhetoric. It is impossible to target the IRGC without significant detriments to the millions of civilians connected to these state-owned enterprises.

Aside from the humanitarian dilemma posed by these targeted sanctions, the collateral damage significantly affects the sanctions' effectiveness in generating the demanded concessions. The United States and Iran view sanctions from radically different perspectives. The US frames sanctions in a cost-benefit analysis, assuming that if the economic costs are significant enough, concession is inevitable. Iran, on the other hand, views sanctions as fundamentally illegitimate coercion and as pressure that must be resisted.<sup>52</sup>

This difference of perspective prolongs conflict by solidifying the status and legitimacy of targeted institutions such as the IRGC, which has nearly universal backing throughout Iran due largely to its economic ties and growing anti-Western sentiment.<sup>53</sup>

The increasing sanctions on Iran have led to an escalation of the nuclear program rather than a de-escalation because they represent a cultural conflict as much as an economic one. The United States' failure to recognize this has led to an "Iran versus the world" mentality that has allowed Iranian leaders to mobilize base support, consolidate civilian economic power, increase black-market trading, and bolster regime legitimacy.<sup>54</sup> As explained by economist Djavad Isfahani:

In this political atmosphere sanctions are likely to cement the authoritarian pact between the conservatives and the economic underclass and at the same time weaken the voices calling for greater social, political and economic freedom. Heavy sanctions are likely to strengthen the hands of the Iranian leaders who have opposed the liberal economic reforms of the Rafsanjani and Khatami era and favor a return to the controlled economy of the 1980s, when the government rather than markets decided on the allocation of foreign exchange, credit, and even basic necessities.<sup>55</sup>

The sanctions give Iranian leaders the impetus they need to bolster their own legitimacy, directly negating the purported goal of targeted sanctions: alienating the elite from the population. If the United States is to continue to press for a renegotiated JCPOA, the fundamental differences between US and Iranian culture must be understood and accounted for, especially since the US is lacking the critically important component of multilateral enforcement.

## Recommendations

Given the importance of the ongoing situation in Iran, the United States can use principles gleaned from Libya and Myanmar to help navigate future action.

The first is to not rely on evoked sets to determine the likely outcomes for targeted sanctions on Iran because contingencies vary from case to case and culture to culture. A targeted sanctions strategy that was effective in Libya will not necessarily translate to success in Iran.

Second, goal setting is extremely important in determining sanctions' success and maintaining the integrity of their threats. The targeted sanctions on Libya were effective largely because the goal was limited and well-defined: extradite the suspects. The United States has the laudable goals of promoting human rights and ensuring nonproliferation in Iran, but those are broad and generally unsuited to economic statecraft designed to be narrowly tailored. Mismatching broad goals with narrow tools would not merely be ineffective, as in Myanmar, but also counterproductive, as in Iran.

If the United States is to continue unilaterally pursuing a renegotiation of the JCPOA, it would be wise to consider changing the incentive structure from economic penalties to public diplomacy and economic relief.

Policymakers must also keep in mind the geopolitical implications that arise from imposing targeted sanctions. When the US targeted sanctions on Myanmar, the EU and US failed to form a sufficient coalition against Myanmar to strengthen the sanctions regime enough to generate policy concessions. An essential theoretical tenant of sanctions enforcement is multilateral support. There needs to be international agreement and cooperation for the sanctions to harm the targets to the degree that they make policy concessions.

For example, when freezing assets, locating hidden financial assets across the globe would be impossible for a country trying to exact pressure on violators, making international cooperation necessary.<sup>56</sup> While the US and EU are formidable competition, they are not Myanmar's only source of trade. Aside from Bangladesh, the region surrounding Myanmar and its largest trading partners including China, Japan, Singapore, and Thailand rejected imposing sanctions on Myanmar due to their adherence to the principle of "noninterference."

These four countries comprise approximately 75 percent of Myanmar's official trade, while informal trade also occurs significantly across borders with China, India, and Thailand. Additionally, while FDI has significantly decreased, the dramatic drop was buffered by FDI from China, Hong Kong, Singapore, and Thailand, which collectively comprised 80 percent of Myanmar's FDI.<sup>57</sup> Thus, even if the targeted sanctions minimized or even eliminated collateral damage, they could not cut off Myanmar from the global economy; instead, they redirected its attention.

The sanctions are thus driving Myanmar from the West to foreign trading partners such as China, exacerbating an already tense geopolitical conflict. Because these targeted sanctions are essentially diplomatic sanctions (specifically the visa bans), they effectively prevent both the sender and target countries from establishing a necessary relationship with dialogue and diplomacy.

For quite some time, the EU's arms embargo offered only China and Russia to supply Myanmar with the necessary arms that it needed, allowing Myanmar to recover economically and further its relationship with these countries, taking them further from the West's goal of democratic reform.<sup>58</sup> Similarly, the United States ought to engage with the Iranian economy rather than push it away. Before the JCPOA, Sino-Iranian trade increased from \$30 billion in 2010 to \$40 billion in 2013, making China Iran's main trading partner by increasing Iran's dependence on trade with the country.<sup>59</sup>

Because sanctions alone will not generate the concessions the US demands, public diplomacy must run its course parallel to economic statecraft. This may include providing mechanisms for de-escalation and de-confliction, gradually easing economic penalties, and reducing Iranian dependence on organizations such as the IRGC.<sup>60</sup>

## Conclusion

The ongoing situation with Iran is complex, and the United States cannot simply repeal all sanctions without losing legitimacy. However, per the

recommendations above, future research should analyze the different methods of positive engagement that the United States can have with Iran to reduce Chinese and Russian influence while maintaining geopolitical interests. The first step must be redefining goals for US intervention in a more limited manner while communicating them clearly to Iran and the international community.

Targeted sanctions are most useful as effective deterrents. When a country selectively imposes sanctions in appropriate cases in which the context is understood and the consequences are thoroughly considered, the sanctions will retain their credibility and legitimacy. However, if countries such as the US continue to use targeted sanctions widely as a

panacea regardless of their expected outcomes or if countries selectively enforce them, then their ability to deter will be greatly hampered.

Targeted sanctions are an important tool for policymakers; therefore, it is of paramount importance that policymakers maintain sanctions' integrity. Sanctions are not a strategy in and of themselves. The targeted sanctions on Libya were effective only because they were part of a broad and coordinated effort to achieve a limited and well-defined goal. Targeted sanctions must be paired intelligently with intentional public diplomacy, positive economic incentives, achievable goals, and even the threat of military action.<sup>61</sup>

# Notes

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