The Human Cost of Economic Sanctions: A Comprehensive Approach

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I. Introduction

Unilateral coercive measures—primarily in the form of economic sanctions, both comprehensive and targeted—have been widely documented as negatively impacting the human rights of the citizens in the target country.¹ While comprehensive economic sanctions are typically no longer used due to the extreme humanitarian impact resulting from across-the-board sanctions and embargoes, “smart” or targeted sanctions, specifically designed to impact certain state actors or industries, have also led to significant humanitarian issues.² These human-rights-violating sanctions have been used by the United States of America, the United Kingdom of Great Britain and Northern Ireland, and in select instances, the U.N. Security Council in an ironic attempt to deter human rights violations in already fragile states heading toward collapse or authoritarian crackdowns.

In Cuba, following the collapse of the Soviet Union in the early 1990s and subsequent loss of the Soviet Union as a trading partner, population level measures of health declined and then worsened with the tightening of economic sanctions by the United States.³ Comprehensive studies found that the embargo contributed significantly to malnutrition in Cubans, hitting women and children especially hard.⁴ Other negative effects include poor water quality, lack of access to medicines and medical supplies, and limited exchange of medical and scientific information due to travel restrictions and currency regulations.⁵

² Id. at 493-4.
⁴ Id. The report also found that doctors in Cuba had access to less than 50% of the drugs on the world market, and that food shortages led to a 33% drop in caloric intake between 1989 and 1993.
⁵ Id.
This is hardly a unique effect of economic sanctions intended to alter target state policies: comprehensive sanctions against Yugoslavia in the mid-1990s backfired and increased its targeted leaders’ power and political influence in direct contrast to the sanctions’ goal.\textsuperscript{6}

Sanctions on Iraq led to widespread humanitarian concerns, including the mortality rate among Iraqi children doubling while sanctions were enforced.\textsuperscript{7} Countless other sanctions episodes, both unilateral and multilateral, contributed to the consensus that economic sanctions often violate human rights in the targeted country.\textsuperscript{8}

\textbf{II. Resolutions to Date and Outstanding Issues}

The Human Rights Council has adopted the issue of unilateral coercive measures into its agenda and, among other measures, has called upon states to stop adopting, maintaining, or implementing unilateral coercive measures with extraterritorial effects intended to create obstacles to trade relations among states. The Special Rapporteur found that extraterritorial sanctions inhibit the ability of the targeted country and its population to interact with the global and financial community due to over-compliance by trading partners of targeted countries.\textsuperscript{9} This results in a “de facto” blockade of the target state and voluntary compliance of economic actors not subject to the jurisdiction of the targeting state.\textsuperscript{10} To ameliorate this, the following issues should be addressed: 1) whether extraterritorial reach of sanctions is lawful and permissible under international law; 2) whether sanctions-imposing states are subject to extraterritorial obligation under human rights instruments in relation to the negative effects of sanctions; 3)\textsuperscript{6} Allen, Susan. “\textit{The Domestic Political Costs of Economic Sanctions}”. The Journal of Conflict Resolution, Vol. 52, No. 6 (December, 2008), pp. 916-944.


\textsuperscript{8} See Fn 1.


\textsuperscript{10} Id.
whether international institutions can regulate the scope and effects of sanctions; and 4) how international institutions can regulate sanctions, such as a program directed at drafting regulatory measures.

The current program and adopted resolutions are moving in the right direction; the Special Rapporteur has done extensive research on potential remedies, and has made recommendations worth taking into account. Some of these recommendations are more feasible than others in the short and long term, and the Council would benefit from a concrete plan of action when addressing these issues, instead of the piecemeal fashion it has adopted to the present day.

A. Extraterritorial Sanctions are Unlawful

There has been significant scholarship surrounding the question of lawfulness of sanctions against a target state, indicating that many instances of extraterritorial sanctions which impact target-state economies are not in accordance with standards of international law. The relevant international standards do not include codified international laws, but rather customary international law by state consensus. The situations in which it is permissible for a state to enforce its laws and influence extraterritorially are relatively few—a state must be able to prove that its actions fall into one of five categories: territoriality (a state may pass laws governing people and property in its own territory); nationality (a state may regulate the conduct of its citizens in any part of the world); protective principle (a state may regulate conduct of foreigners that could prejudice its most vital interests); passive personality (a state has jurisdiction over

11 Id. Report of the Special Rapporteur. A/HRC/36/44 (July 26, 2017) For example, the Special Rapporteur called for the creation of an international registry of sanctions episodes, a method for adjudication, and a reparations process.
12 Id. pp. 6-7.
conduct directed against the welfare of its own citizens); or universality (all states may exercise jurisdiction over certain criminal activities, notably piracy and slavery, regardless of the place of perpetration and the nationality of the victims or offenders). 14

Interestingly enough, the application of many of the unilateral sanctions with extraterritorial effects currently in place do not fall under these principles, but are rather “justified” by an extension of the territoriality doctrine, known as the effects doctrine: a state may regulate conduct that has a direct, foreseeable and substantial effect within its territory, even though the acts giving rise to the effects are undertaken abroad. 15 For example, when the United States imposed a fairly comprehensive embargo on Sudan in 1997, these measures included sanctions on trade, a freeze on government assets, and tight restrictions on financial institutions dealing with Sudan. 16 However, these measures were enacted in response to “continued support for international terrorism; ongoing efforts to destabilize neighboring governments; and the prevalence of human rights violations, including slavery and the denial of religious freedom,” which were considered an “unusual and extraordinary threat to the national security and foreign policy of the United States.” 17 These sanctions may be able to find jurisdictional footing under the universality principle, since the sanctions were in response to increased dealings with terrorist factions by the target state, however in court proceedings stemming from corporations violating the U.S.-imposed sanctions on Sudan, the effects doctrine, not the universality principle, was cited instead. 18

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18 Id. Emmenegger at 656.
Indeed, BNP Paribas S.A. (BNPP), a global financial institution headquartered in Paris, as well as German-controlled Deutsche Bank both pled guilty to violating U.S. sanctions by allowing target states to use their banks to circumvent the sanctions and do business with individuals and states otherwise prohibited by U.S. law. However, these incidents were not on U.S. soil, nor were they perpetrated by U.S. corporations, which makes it difficult to argue that the U.S. had jurisdiction over entities outside of the U.S. and thus renders the extraterritorial reach of U.S. sanctions on foreign entities doing business with Sudan unjustified.

B. Sanctions-imposing States are Subject to Extraterritorial Obligation to Target States

There is yet to be consensus on this issue, however there are strong arguments in favor of the International Covenant on Economic, Social, and Cultural Rights provisions extending state obligations extraterritorially so that a state imposing sanctions may be held responsible for any consequential deprivation of the target state’s rights, including the rights of its citizens to food, healthcare, and economic enjoyment, even if the sanctioning state does not have jurisdiction over the affected population. Further, the ICESCR imposes an obligation on all states to take steps to promote the full realization of the recognized rights, which, in the view of sanctioning states affecting target states’ rights, necessarily includes the rights of the affected populations.

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19 Id.
20 Id. “The effects doctrine requires that the foreign conduct has a direct, substantial, and foreseeable effect in the domestic territory. If BNPP causes US banks to violate domestic law, its conduct has an indirect territorial effect. And even more difficult is the argument that BNPP’s conduct has a territorial effect which is substantial. The domestic payment market is not casually affected by the transactions; they do not disrupt the US payment system or make it less reliable or more expensive for its users. Nor do they affect the domestic authority of the sanctions; within the US, they are the law, and US firms are bound by it. What is affected is the sanctions’ global effectiveness, because firms outside the US can engage in the conduct prohibited by US law. But this is not a domestic effect.”
A key component to determining whether sanctions-imposing states are subject to extraterritorial obligation to target states turns on whether the sanction-imposing states have jurisdiction over the target states. In the most basic sense, this answer would normally be ‘no,’ since sovereignty demands that sovereign states are in control of their own territories and economies; however, this is not the case when analyzing extraterritorial obligation with sanctions affecting the enjoyment of a target state’s economic rights. While the ICESCR’s charter does not explicitly include provisions on territory or jurisdiction, from other decisions it can be inferred that territorial and jurisdictional limitations apply. When a state imposes sanctions on a target state, it overextends its extraterritorial reach into the target state’s sovereignty, and necessarily should be responsible for any negative effects which result, under the “occupied territory” theory—when a state occupies territory outside of its own borders and exercises effective control over said territory, it is responsible for what occurs in that territory, whether the occupation is lawful or unlawful.\(^\text{23}\)

C. International Human Rights Instruments and Regulating the Scope of Sanctions

The Committee on Economic, Social and Cultural Rights set out certain obligations borne by parties responsible for the imposition, maintenance or implementation of the sanctions, whether it be the international community, an international or regional organization, or a state or group of states.\(^\text{24}\) In its General Comment No. 14 (2000) on the right to the highest attainable standard of health, the Committee emphasized that States parties should refrain at all times from imposing embargoes or similar measures restricting the supply of another State with adequate

\(^{23}\) International Court of Justice, *Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory*, Advisory Opinion, I.C.J. Reports 2004, p. 136, para. 112, referring to the findings of the Committee on Economic, Social and Cultural Rights that the obligations of Israel under the Covenant applied to all territories and populations under its effective control (see E/C.12/1/Add.90, paras. 15 and 31).

\(^{24}\) As noted by the Committee on Economic, Social and Cultural Rights in its general comment No. 8 (1997).
medicines and medical equipment. These are just two examples of several published comments related to extraterritorial obligation of entities imposing economic sanctions on other sovereign states, all of which indicate that the imposing state is responsible for negative effects borne by the target state.

Further, there is widespread international condemnation for the use of economic sanctions. For example, in 1996, the European Union adopted a blocking statute, which prohibited EU companies from complying with extraterritorial sanctions imposed by the United States. The European Union also expressed its position against extraterritorial sanctions in its own guidelines on “restrictive measures,” which aimed to regulate the activities of natural and legal persons under the jurisdiction of the European Union as being in violation of international law.

III. A Comprehensive Approach: What Needs to be Done First?

Empirical studies and country reports all point to the same thing: unilateral coercive measures in the form of economic sanctions have led to human rights abuses. There is widespread international condemnation for unilateral coercive measures, yet states still impose sanctions on target states with a goal of changing some policy in the target state, without consequence. In order to address these issues in a comprehensive, methodical way, one must first understand the relative effectiveness of sanctions as a whole, if the international community

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25 See also: U.N. Committee on Economic, Social and Cultural Rights, Annex III, General Comment No. 3 of the Committee on Economic, Social and Cultural Rights, The Nature of State Party Obligations, U.N. Doc. E/1991/23 (E./C.1 2/1 990/3. “The Committee is of the view that a minimum core obligation to ensure the satisfaction of, at the very least, minimum essential levels of each of the rights is incumbent upon every State party. Thus, for example, a State party in which any significant number of individuals is deprived of essential foodstuffs, of essential primary health care, of basic shelter and housing, or of the most basic forms of education is, prima facie, failing to discharge its obligations under the Covenant.”


would codify unilateral coercive measures as a violation of human rights and state sovereignty, as well as which specific effects of economic sanctions lead to human rights abuses.

A. Weighing the Human Cost of Economic Sanctions

Despite the notion that human rights violations result from economic sanctions, several states still view economic sanctions intended to initiate policy change in the target state as a worthwhile endeavor, yet there is little evidence to support economic sanctions as a foreign policy tool actually capable of affecting change. Instead, both sanction-imposing and target states bear the cost of economic sanctions, both in humanitarian crises resulting from sanctions, as well as financial hardship on both parties. In order to resolve these issues, one must first examine whether there are any situations in which sanctions, if they are to be deemed legal at all, are effective policy tools, as well as which specific measures of the sanctions lead to human rights abuses.

1. “Successful” Sanctions: A Cost-Benefit Analysis

Effectiveness of sanctions has been widely debated and empirical studies have yielded vastly differing figures measuring the relative success of economic sanctions in achieving the stated goal, largely due to the uniqueness of each case. For example, in a bilateral trade situation, the success rate can go up to 50% probability of success if the percent trade affected in the target state’s GDP is 10% or more; if bilateral trade is less than 2% of the target’s GDP, the success rate is 20%.28 Put differently, if one state imposes unilateral economic sanctions against a target state, the likelihood of success depends on the scope of target reliance on the imposing state as a trading partner. Other studies show, for example, that the effectiveness of sanctions episodes from 1945 to 1990 in which the U.S. was a party comes out to 35% overall; from 1970 to 1990

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this figure was 21%.\textsuperscript{29} In sanctions episodes in which the U.S. imposed sanctions unilaterally, the same study showed a success ratio from 1970 to 1990 is a mere 13%.\textsuperscript{30}

The effectiveness of sanctions also depends on factors concerning the sanctioning state and the target state’s relationship with one another. For example, the Pierson Institute for International Economics concluded that sanctions are most likely to be at least partially successful when: 1) the goal is relatively modest; 2) the target country is economically weak, politically unstable, and much smaller than the country imposing sanctions; 3) the sanctioning state and target conduct substantial trade with one another and are friendly toward one another prior to the imposition of sanctions; 4) the sanctions are imposed quickly and decisively to maximize impact and the sanctioning country avoids high costs to itself; and 5) considers the economic size of each state in relation to one another, the goal of the sanctions, the duration of the sanctions, the cost of the sanctions to the sanction-imposing country, and the strength of diplomatic relations between the two states.\textsuperscript{31} In a situation where the target state relies heavily on the sanctioning state for commerce in an industry upon which the target state depends, these factors may weigh in the sanctioning state’s favor; where these elements are not present, it is less likely for a sanctions episode to be fruitful for either party.

2. What measures lead to violations?

Whether or not the international community codifies unilateral coercive measures as unlawful, the measures that lead to human rights violations must be studied. The major substantive economic, social and cultural rights are generally considered to be the rights to food,


Note: 35\% of sanctions episodes were determined to be partially successful; there is limited data on full success rates.

\textsuperscript{30} Id.

\textsuperscript{31} Id.
health, housing, education, and work.\textsuperscript{32} In addition to these substantive rights there are “procedural rights” that apply to all human rights without exception.\textsuperscript{33} These rights create an immediate duty on the state, and include the right to non-discrimination, the right to legal remedies if one's rights are violated, and the right to participation in the making of policies or laws that affect one's rights.\textsuperscript{34} This also creates a rebuttable presumption that the existence of widespread poverty can be attributed to violations of economic, social and cultural rights by the government in question. Regarding sanctions, these same human rights indicia should be considered when evaluating the impact economic sanctions have on target states.

Economic sanctions are known to affect the right to life, health, and adequate standard of living, including food, clothing, housing and medical care, and freedom from hunger.\textsuperscript{35} The potential for meaningful study and evaluation of these factors is expansive, as are the factors which contribute to the enjoyment of human rights. However, the main indicia of human rights enjoyment or violation should focus on the health and welfare of the average citizen of the target state and how, if at all, their livelihood has been affected by the economic sanctions in place. This includes empirical studies evaluating availability, accessibility, and quality of the rights in question.\textsuperscript{36}

\textsuperscript{33} Id. at 1071.
\textsuperscript{34} Id.
\textsuperscript{36} International Anti-Poverty Law Center, Statement to the UN Committee on Economic, Social and Cultural Rights, Day of General Discussion, 10 May 1999. “Availability (elements of the right relating to the existence within a country of adequate goods or services required to fulfill the right), accessibility (elements of the right relating to access to the necessary good for all members of society, including such issues as geographic accessibility, affordability, and absence of discrimination), quality (elements of the right relating to the actual nature of the good or services required to fulfill the right, including such issues as health and safety regulation of food or housing, depth of academic instruction, and cultural appropriateness).”
Generally speaking, the human cost of economic sanctions often greatly outweighs the rate of success. Examples of economic sanctions negatively affecting the rights of citizens of the target countries include case studies on Iraq, Haiti, Sudan, and Cuba, to name a few. For example, Iraq sanctions were an extreme outlier in terms of cost to the target—Iraq's GDP was cut roughly in half, failed to yield concessions, and contributed to the deaths of over 227,000 Iraqi children due to malnutrition and disease.\textsuperscript{37} Cuba, under U.S. embargo, saw severe malnutrition and shortages of medicine which led to higher mortality rates for otherwise treatable and curable diseases.\textsuperscript{38} During Organization of American States sanctions on Haiti, food and income to buy it became scarce and a ban on fuel sales brought even humanitarian relief activities to a halt, making immunization campaigns and food distribution difficult.\textsuperscript{39} The decline in nutrition, immunizations, clean water, and the availability of medical care were associated with an estimated 20% rise in the already high rates of mortality among children under five years of age.\textsuperscript{40}

Some of the more damning features of economic sanctions depend on the type of sanctions imposed and the situation of the target country. For example, if a country relies on one main export, and that export industry is sanctioned, that has potential to be effective in terms of the sanctions, but also deadly to the citizens—if there is no longer money to provide for food, medicine, and basic necessities, target state policies may change but at an enormous human cost. If a country is democratic in nature versus being autocratic in nature also may affect the impact.

\textsuperscript{38} See Fn. 7.
\textsuperscript{40} Id.
of sanctions: a democracy will likely adopt new policies faster to protect its people; a
dictatorship will not.⁴¹

B. Guidelines and Recommendations

Economic sanctions as unilateral coercive measures intended to alter a sovereign state’s
policy is a complicated issue to address. Human Rights Advocates (HRA), in line with many of
the Special Rapporteur’s recommendations, suggests that the Human Rights Council take the
following steps to begin addressing this issue.

1. U.N. registry of all extraterritorial sanctions having coercive impact

The Special Rapporteur—in his most recent report but also in previous reports—has
called for the creation of a registry detailing all extraterritorial sanctions having coercive
impact.⁴² This call is echoed in various studies and would require the cooperation of both the
states imposing the sanctions and the affected target states. However, states imposing sanctions
already have comprehensive lists of which targets are being sanctioned; compiling this
information into a database would be tedious but ultimately invaluable as a step in addressing
this issue.⁴³ With the aid of the Special Rapporteur, the Council should first create a database
detailing each sanctions episode still in effect and a database on past sanctions episodes. This
information, coupled with studies on the effectiveness of sanctions and weighing human rights
damages, would make the resolution of this issue much more streamlined. This project could be
performed by a task force, under the advisory of the Special Rapporteur on this issue, or by
creating a committee to address such issues. Regardless of where this data leads, it is worthwhile
to gather the information so the international community can make informed decisions.

⁴¹ See fn. 2.
⁴² See fn. 8. p. 7.
⁴³ For example, see U.S. Department of the Treasury, Office of Foreign Asset Control:
https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx, among others.
2. U.N. Imposed Restrictions on Sanctions

If the international community does not codify a prohibition on economic sanctions and a subsequent process to adjudicate violations of said policy, steps should be taken to mitigate the scope of humanitarian abuses which occur as a result of economic sanctions. For example, prior to imposing new sanctions, a country should be required to go through the U.N. or another institutional body and report the likelihood of human rights abuses using empirical data—percent GDP decline, industries affected, unemployment rate changes, public health initiatives, etc. If states continue to impose sanctions, at the very least the U.N. should demand that sanctioning states gather baseline data on health and well-being of the population of the target state. This was done regarding sanctions on the Sudan and Burundi in 1998 and Liberia in 2001.\textsuperscript{44} States imposing sanctions should also anticipate likely vulnerabilities of the target society and respond proactively via aid and development agencies to ameliorate them. It is essential to analyze past cases to determine what the likely level of suffering will be and whether causing such damage is warranted.

Once there is data available on what aspects of economic sanctions lead to human rights violations, as well as the situations where a violation may be looming, HRA proposes that the Council request the Special Rapporteur work to review each instance of sanctions by its impact, and draft guidelines for future sanctions or for addressing present sanctions to minimize the human toll. Each economic sanction should be reviewed thoroughly and each country imposing said sanction should have to take responsibility for the violations its actions cause. This is where the registry of economic sanctions would come in handy.

Upon initiating sanctions, states should put in place a stepped-up monitoring capacity to

\textsuperscript{44} Id. Garfield \textit{Economic Sanctions, Humanitarianism, and Conflict After the Cold War.} p. 104
facilitate early identification of humanitarian damage. Monitoring should include indicators of public health, economic status, population dynamics, and governance in sanctioned countries. It should include indicators of population status, as well as related measures of short-term change. For example, good baseline indicators are deaths among children under one year of age and those under five, but short-term changes in mortality rates can best be measured from data on the number of measles cases, the percentage of all deaths due to diarrhea, and the prevalence of malnutrition among children.45

The U.N. should also create streamlined procedures to speed up the approval of essential humanitarian goods. This could involve a standard list of exempt items and blanket exemptions for a select group of international relief organizations. Standardization of procedures used in sanctioned countries for handling exemption requests, distribution of goods, and on-site verification should also be put into place. This should also exclude certain industries from being sanctioned—specifically those related to food and medicine, as well as stricter scrutiny for instances where a country is solely reliant on one type of industry or a possible subsidy arrangement. However, almost all legislation imposing sanctions in recent decades provides exemptions for food and/or medicines, yet these exemptions still do not prevent widespread harm as a result of economic sanctions.46

3. Appeals process and compensation commission

Once U.N. procedure has been implemented, if a violation has occurred, the target country or citizens should be allowed to appeal the sanction in place and have it adjudicated—either through litigation, ad hoc tribunal, or arbitration. Once a violation is found, the involved country should owe reparations to those affected. The next step would be to set up a process for

45 Id.
46 Id.
addressing the compensation. However, this would be the very last step in the resolution of this issue.

IV. Conclusion

Unilateral coercive measures, while a complicated issue, is not impossible to resolve if the above steps are considered. HRA urges the Council to recommend that the General Assembly follow the Special Rapporteur’s guidance to further address the legality of sanctions with extraterritorial reach in its totality, with a view of ultimately establishing a registry, mechanism for institutional oversight (if sanctions are deemed legal at all), an appeals process, and a system for reparations.