

Unilateral Sanctions in International Law

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Unilateral Sanctions: Creating Chaos at Bargain Rates

JOY GORDON

I. Introduction

There is a widely held view that sanctions imposed by an international organisation or a coalition of countries are much more likely to have a significant impact than unilateral measures:

It is well known that the widest possible implementation of economic sanctions is a precondition to their effectiveness ... Quite simply, the more States that implement a specific thread of economic sanctions, the smaller the potential for the State target to circumvent the measures by turning to other partners and markets. As a result, single-State sanctions should be weaker than sanctions imposed by a group of States.¹

It would seem that unilateral sanctions are necessarily limited in both their scope and impact: when a single country denies the target country access to a single market, that seems very different from multilateral sanctions, or sanctions imposed by a body of global governance. The economic consequences will be less; and unilateral sanctions lack the legitimacy and moral force of multilateral or collective measures, so other states and private actors will be less inclined to abide by them.

But, in fact, it makes little sense to speak in generalities in this regard. The effectiveness of unilateral sanctions, or at least the damage done, depends entirely on who the sanctioner is, and the extent of its powers and international influence; and who the target is, and the depth of its vulnerabilities. Indeed, when the country imposing the sanctions holds a monopoly on a critical market, or in some other context holds a singular role in the global economy, unilateral sanctions may in effect function as though they were global.

A country imposing unilateral measures may also employ extraterritorial sanctions, expanding the scope of the sanctions regime beyond the sanctioner's own nationals.

¹C Beaucillon, 'Practice Makes Perfect, Eventually? Unilateral State Sanctions and the Extraterritorial Effects of National Legislation,' in N Ronzitti (ed), *Coercive Diplomacy, Sanctions and International Law* (Brill Nijhoff, 2016) 104.

In addition, where the sanctions regulations are vague or unpredictably enforced, and where the penalties are severe – such as exclusion from a major market or banking system – private actors may then withdraw from the target country altogether, foregoing even those transactions that are permitted, such as the delivery of humanitarian goods. These decisions are not based directly on legal considerations, but rather on risk assessment that exceeds the explicit legal prohibitions.

There can be a broad impact even in the case of asset freezes. On their face, it seems that asset freezes would only affect individual persons and companies, and the term ‘asset freezes’ suggests only that these entities would be denied access to their personal or corporate assets. In fact, these financial blacklists may prohibit all transactions, both personal and official. Consequently, when government officials, such as a minister of health or agriculture, are blacklisted they cannot engage in any transactions relative to their work, such as purchasing medicines or agricultural inputs. When multiple key government officials are blacklisted, the government may effectively be paralysed.

Although many of these measures are described as ‘targeted sanctions’, ostensibly impacting only individuals or specific companies, or specific goods such as weapons, in fact the results in many cases are macroeconomic in scope, broadly affecting the target country’s imports and exports, access to the international banking system, access to fuel, and access to goods needed for the country’s infrastructure; or compromising the capacity of the state to perform its core functions.

All of these features of unilateral sanctions are particularly evident in the case of measures imposed by the United States.

This chapter will discuss some of the most significant ways in which unilateral sanctions may reach well beyond the sanctioner’s own nationals; may effectively function as though they were global measures; and consequently may cause broad economic and humanitarian harm to the target country, and in particular its most vulnerable populations.

II. The Asymmetry of Unilateral Sanctions

Unilateral sanctions have, to some extent, been used by large and wealthy nations against each other. During the Cold War, for example, the US imposed a grain embargo against the Soviet Union in 1980, in addition to ongoing export restrictions on strategic goods. In the post-Cold War era, there have been some exchanges of sanctions among the great powers. In the 1990s, the US imposed sanctions against Russian companies for arms and technology transfers, as well as imposing secondary sanctions against Russian individuals or companies for doing business with Iran, North Korea, Syria and other countries. The Clinton administration sanctioned Russian companies for their involvement with Iran’s nuclear and missile program; and under the George W Bush administration, US sanctions pressured Russia to reduce arms sales to Iran.²

²A Weiss and R Nephew (2016) ‘The Role of Sanctions in U.S.–Russian Relations’, Carnegie Endowment for International Peace, available at carnegieendowment.org/2016/07/11/role-of-sanctions-in-u.s.-russian-relations-pub-64056.

During the Korean War, the US imposed an embargo on China, which continued until 1969, when the Nixon administration lifted most restrictions on trade. After the massacre at Tiananmen Square in 1989, the first Bush administration suspended some trade with China regarding arms and commercial goods, but kept China's most-favoured-nation status. More recently, the US has sanctioned China on various grounds. Congress adopted legislation penalising Chinese officials for human rights violations against the Uighurs.³ The Trump administration blacklisted Huawei, the Chinese telecom giant, and filed criminal charges against the company, claiming technology theft; and prohibited trade with dozens of other Chinese companies. As part of the US 'maximum pressure' campaign against Iran, the US also imposed secondary sanctions on Chinese oil companies for doing business with Iran.

But it is unlikely that sanctions imposed on a powerful and wealthy country, particularly one with a diversified economy, could have a devastating impact. In the case of Cold War measures, one commentator noted that 'It is doubtful whether these cases yielded positive results, not least because it is difficult to hamper the military capabilities of a major power by inflicting marginal degrees of economic deprivation'.⁴

When sanctions are directed at powerful countries, there is also a risk of retribution. When the US, EU, and others imposed sanctions against Russia following Russia's military intervention in Ukraine, Russia responded by banning food imports from the US, EU, Norway, Canada and Australia, triggering losses to those countries in the billions of dollars. Even if there is not deliberate retribution, sanctions against a country with an economy of global significance can be costly to the sanctioner. In regard to China, one commentator noted that:

Since a great share of Chinese goods enter the US market as intermediate inputs, directly affecting the production of US firms, it is estimated that a 10% increase in tariffs on Chinese imports would cause a million job losses in the United States. This is all due to the production fragmentation between China and the United States, making the use of sanctions self-defeating ...⁵

In recent years, the Trump administration increased tariffs on China, with far-reaching economic consequences for the US.

There may be a few cases where a smaller country with strategic resources, alone or with allies, will seek to impose sanctions to impede a larger country's access to those resources. This occurred most notably during the Arab oil embargo of 1973.⁶ But for the most part, it would simply be economically self-destructive for a small or mid-sized country to sanction a country with greater wealth or resources.

So it is unsurprising that unilateral sanctions are overwhelmingly a tool of large and wealthy nations against countries whose economies are far smaller. Reviewing 174 sanctions cases, the third edition of the seminal study *Economic Sanctions Reconsidered* (ESR3) notes that the countries that had imposed sanctions most frequently were the

³ US Congress, 'Uyghur Human Rights Policy Act of 2020' Public Law 116-145, 1.

⁴ G Hufbauer, G Clyde, JJ Schott, KA Elliott and B Oegg, *Economic Sanctions Reconsidered*, 3rd edn (Peterson Institute for International Economics, 2009) 11.

⁵ D Kim, 'Coercive Assets? Foreign Direct Investment and the Use of Economic Sanctions' (2013) 39 *International Interactions* 113.

⁶ Hufbauer, Clyde, Schott, Elliott and Oegg, *Economic Sanctions Reconsidered* (2009) 90.

US, the UK, the EU/EC and the Russia/Soviet Union.⁷ At the same time, the countries targeted by sanctions tend to have economies that are far smaller. In the sanctions episodes over the last century,

[t]he sender's GNP is more than 10 times greater than the target's GNP in 80 percent of cases, and in half the cases, the ratio is greater than 100 times. These lopsided ratios reflect, on one hand, the prominence of the United States, the United Kingdom, the former Soviet Union, and recently the United Nations and the European Union as senders and, on the other hand, the small size of the countries they usually try to influence with economic sanctions.⁸

Furthermore, in the latter part of the twentieth century, the disparity grew considerably: the sanctioner-to-target ratio before 1985 was 45:1, and between 1985 and 2000 this ratio was 453:1.⁹

The target countries not only have far smaller economies, but frequently are also economically underdeveloped. A country in the developing world would be particularly vulnerable to sanctions:

If the sanctioned country has the ability to produce the embargoed products but does not do so because it is cheaper to import them, the target will produce those goods once the sanctions succeed in raising the price of imports above the cost of domestic production. If, however, the sanctioned nation does not have the technological ability to produce the embargoed products, it will be forced to turn to an alternate supplier. Therefore, we should expect economic sanctions to be most effective against underdeveloped nations that cannot supply the embargoed goods domestically under any conditions.¹⁰

It is not surprising that sanctions are such an attractive tool of foreign policy to countries with great wealth. Where sanctions are directed against small countries, or countries whose economies are particularly vulnerable, there is little economic cost to the sanctioner, and there is little risk of retribution in kind. A sanctioner that wields considerable economic power globally can create economic chaos at bargain rates. According to ESR3, in most cases, imposing sanctions was nothing more than a 'trivial dislocation'¹¹ for the sanctioner's economy, impacting less than two per cent of the sanctioner's GNP in over two-thirds of the cases.¹²

While sanctioners overwhelmingly consist of OECD countries, among the sanctioning states the US holds a singular role. In the second half of the twentieth century, the US 'had a near monopoly on the aggressive use of the economic instrument to achieve its objectives.'¹³ ESR3 notes that in 204 sanctions episodes from the end of World War I up through 2000, the US was a sanctioner in 140 of these situations,¹⁴ and has been a sanctioner with comparable frequency since 2000.¹⁵ The US has imposed sanctions on more occasions than all other sanctioners combined.¹⁶ This includes not only nations

⁷ *ibid.*, 17.

⁸ *ibid.*, 89.

⁹ *ibid.*, 105.

¹⁰ Z Selden, *Economic Sanctions as Instruments of American Foreign Policy* (Praeger, 1999) 17.

¹¹ Hufbauer, Clyde, Schott, Elliott and Oegg (n 4) 111.

¹² *ibid.*, 109.

¹³ J Scharfen, *The Dismal Battlefield: Mobilizing for Economic Conflict* (Naval Institute Press, 1995) 48–49.

¹⁴ Hufbauer, Clyde, Schott, Elliott and Oegg (n 4) 94–96.

¹⁵ *ibid.*, 'Post-2000 cases' database.

¹⁶ *ibid.*, 17.

but also international bodies, such as the UN Security Council and the Arab League. In cases involving financial sanctions, the role of the US is even more striking. The US participated in 80 per cent of the financial sanctions regimes (unaccompanied by trade sanctions).¹⁷ In stand-alone cases of financial sanctions prior to 1990, the US was the sole sanctioner in 25 of 31 cases.¹⁸

In the last three decades, the lopsided use of sanctions by the US has been even more pronounced, and the relative economic impact has been even greater. Since the end of the Cold War, the US has in many regards taken on a singular role within the global economy, such that unilateral measures, when they are imposed by the US, may function as though they are global. Meanwhile, in the last two decades, the use of sanctions by the US has expanded in every regard. US sanctions are more far reaching than they have ever been, directly targeting an unprecedented number of states, individuals, and companies; and indirectly shaping the decisions of entire global industries. While purporting to be 'smart', affecting only wrongdoers or weapons proliferation, US sanctions in fact routinely target the most fundamental functions of a country's economy and society: imports, exports, infrastructure, industry, fuel, access to shipping, access to the international banking network, and technology. These measures, in turn, can trigger or contribute to macroeconomic shocks, such as unemployment or hyperinflation, and may cause or contribute to shortages of critical consumer goods, including food, and can then trigger or increase population displacement. The enforcement of US sanctions has also become increasingly rigorous, and increasingly burdensome and costly for banks, shipping companies, insurers, manufacturers and others. The draconian enforcement practices have, in turn, played a significant role in the 'chilling effect' of sanctions, undermining commerce and banking transactions with the target country in a manner that extends well beyond the formal prohibitions of the sanctions.

III. Extraterritorial and Secondary Measures

Unilateral sanctions can extend well beyond the sanctioner's own nationals when the sanctions are extraterritorial or secondary measures. Secondary sanctions punish third-party countries or their nationals for doing business with the target of the sanctions. Secondary sanctions are often extraterritorial. Extraterritorial measures impose restrictions on third-country companies doing business with the target country, even though those companies would not generally be subject to the sanctioner's jurisdiction. This may occur where the sanctioner prohibits third countries from buying goods from the target country, or investing in its enterprises, or selling technology to it.

Extraterritorial measures have long been contentious under international law, and are often viewed as a violation of the sovereign right of third countries to trade with whomever they choose. During the Cold War, the impact of extraterritorial measures was limited; as with sanctions in general, if the US interfered in the target country's

¹⁷ *ibid.*, 96.

¹⁸ *ibid.*, 97.

trade with third parties in the West, the target country could simply trade with the Eastern bloc. And there was little to be gained by then imposing secondary sanctions on the Eastern bloc countries for trading with the target country. But the 1990s saw the emergence of multiple rounds of legislation authorising extraterritorial sanctions regimes, notably the Iran and Libya Sanctions Act (ILSA), and the Torricelli Act and the Helms-Burton Act, both targeting Cuba. The international community responded with anger. Canada,¹⁹ Mexico²⁰ and the EU²¹ passed 'clawback legislation', authorising litigation to recover any losses suffered as a result of the US's extraterritorial laws. The EU brought an action against the US before the World Trade Organization (WTO), and the US agreed to suspend the most controversial measures, although the legislation remained in force.²²

The measures adopted by EU, Canada and others also prohibited their own nationals from complying with the US's extraterritorial laws.²³ This created an untenable situation for banks, manufacturers, and others engaged in international commerce: on one hand, if they conducted business with Cuba or other countries targeted by the US, they risked severe penalties, including possible exclusion from the US market. On the other hand, if they did not do business with these countries, in order to comply with US law, they were then in violation of their national laws.

Under the Trump administration, we saw a resurgence of extraterritorial measures, once again triggering vocal opposition not only from the targeted countries, but from US allies and trading partners. This occurred, for example, in the case of Iran. In 2015, under the Joint Comprehensive Plan of Action (JCPOA), Iran agreed to reduce its nuclear capacities, and UN sanctions would be lifted, along with some of the sanctions imposed by the other parties to the agreement: the five permanent members of the Security Council, along with Germany and the EU. Accordingly, the EU and most of the other countries resumed trade with Iran. However, starting in 2017, the US reimposed extensive sanctions on Iran, including measures that would impact foreign companies doing business with Iran. The EU updated its blocking legislation, prohibiting EU nationals from complying with extraterritorial measures, such as those of the US. But European companies then found themselves in a difficult position. For example, under the JCPOA, commercial air travel to Iran was to resume. But a number of European airlines, including British Airways, Air France and KLM, suspended flights to Iran, presumably to avoid the draconian penalties imposed by the US, or the loss of access to the US market; though they could not acknowledge this, for fear of being subject to penalties under the EU's blocking legislation.²⁴

¹⁹ J Roy, *Cuba, the United States, and the Helms-Burton Doctrine: International Reactions* (University Press of Florida, 2000) 88.

²⁰ *ibid.*, 93.

²¹ *ibid.*, 120.

²² M Albright (1998) 'Statement on U.S.-E.U. Understanding on Expropriated Property' (18 May 1998).

²³ Council Regulation (EC) No 2271/96 Protecting against the Effects of the Extra Territorial Application of Legislation Adopted by a Third Country, and Actions Based Thereon or Resulting Therefrom [1996] OJ L309/1.

²⁴ R Gladstone and Z Wichter, 'British Airways and Air France to Suspend Iran Service' *New York Times*, 23 August 2018.

IV. When Unilateral Measures are Global: The Case of Cuba

Unilateral sanctions may function as though they were global measures in many different contexts. This may happen where a single country provides a critical market for which there is no comparable substitute, or otherwise serves a unique role in the international commercial landscape. It may happen as well where a company or industry of global reach is based in the sanctioning country, such that national laws constrain an international industry. It may also arise where a country holds great influence within an international institution, by virtue of the voting structure or a specific institutional arrangement. In particular, there are a number of ways in which US measures function as global measures.

This can be seen in the international financial institutions (IFIs) where the US holds disproportionate influence due to weighted voting. In the International Bank for Reconstruction and Development, the US holds 15.78 per cent of the voting power.²⁵ In the International Finance Corporation of the World Bank, the US holds 20.99 per cent of the voting power.²⁶ In the IMF, the US holds 16.51 per cent of the voting power.²⁷ In these and several other IFIs, the US voting power is far greater than that of any other country; overriding the US vote would be impossible unless efforts were undertaken by a coalition of the US's own allies who hold significant voting shares; Japan, China, Germany, France, and the UK each have voting power of roughly 4–6 per cent in these institutions. At the same time, in these IFIs, dozens of countries, overwhelmingly those in the developing world, hold voting power of 0.10 per cent or less, making it flatly impossible that even several dozen of them could ever override the US. Thus, a unilateral decision by the US could effectively block a target country from access to these global financial institutions.

In addition, while denying access to the US market may indeed be only unilateral, that exclusion is of extraordinary significance, given that the US has the largest economy in the world, with an annual GDP of over \$20 trillion, constituting nearly one-quarter of the global GDP. Furthermore, in many regards, US companies hold major roles in global infrastructure. For example, the US ranks third in the world in the number of ships owned by its companies.²⁸ The US company SSA Marine is one of the largest terminal operators in the world.²⁹ And additionally, in some cases, US products may serve as the industry standard globally; for example, Microsoft Windows has nearly 90 per cent of the global market share in desktop/laptop operating systems.³⁰ Other products, such as certain pharmaceuticals, are produced only by US companies.

Thus, denial of access to the US market has far greater impact than the loss of a market in a small or mid-sized economy. A unilateral measure by the US may disrupt a company's access to international shipping routes; may prevent a country from using

²⁵ World Bank, 'International Bank for Reconstruction and Development: Subscriptions and Voting Power of Member Countries' (2020) (as of 16 June 2020).

²⁶ *ibid.*

²⁷ International Monetary Fund (2020), 'IMF Members' Quotas and Voting Power, and IMF Board of Governors' (2020) (as of 22 June 2020).

²⁸ United Nations Conference on Trade and Development, 'Review of Maritime Transport 2019' (2019) 39.

²⁹ *ibid.*, 51.

³⁰ Net Market Share, 'Operating System Market Share' (2020) (as of May 2020).

the IMF or World Bank to restructure its loans or to fund development projects; or may deny a country access to specific medical equipment, computer software, or other technology that is only produced in the US.

All of these are apparent in the case of the US's unilateral sanctions against Cuba. To begin with, the US would be Cuba's natural and closest market for many of its key exports, such as coffee, tobacco, lobsters and aquaculture.³¹ In some cases, there are goods that are manufactured only in the US, such that a prohibition on trade with Cuba may as well be global. Much of Cuba's infrastructure that was built in the first half of the twentieth century relied on equipment manufactured by US companies. For example, many of the key components of Cuba's water treatment system were manufactured by the US company Wallace & Tiernan. After the US tightened the embargo in the 1990s, Cuba could no longer purchase the parts for its chlorination system manufactured by that company. According to the AAWH, 'that single embargo-related prohibition jeopardizes safe drinking water of every city in Cuba with over 100,000 inhabitants – a total of four million people.'³² US companies produce state-of-the-art agricultural inputs, such as highly effective pesticides, which are of great urgency given Cuba's tenuous food security, and these are unavailable to Cuba.³³ Cuba's Institute of Oncology and Radiology was blocked from purchasing a PET/CT scanner for which the only manufacturers were US companies.³⁴

US sanctions against Cuba are also extraterritorial in many regards as well. The US not only prohibits US companies from trading with Cuba, but also extends the prohibition to foreign subsidiaries of US companies as well. The US considers them to be US nationals for purposes of sanctions laws, even though this runs counter to international commercial law, under which they are nationals of the countries where they are incorporated. As a result, the scope of the US sanctions is expanded considerably whenever a US company acquires a or merges with a foreign corporation. For example, a Swedish company, Pharmacia, sold medical equipment and pharmaceuticals to Cuba for decades until it merged with the US company Upjohn, and all sales to Cuba were then prohibited.³⁵

Cuba's access to the international banking system is also profoundly disrupted by the US's unilateral restrictions. In part, this is because the majority of the world's funds are held in US financial institutions, and the majority of the world's financial transactions go through US financial institutions. The scope of US sanctions is expanded considerably because the US considers that it has the right to restrict who may use US dollars, regardless of their nationality or the nationality of the parties to the transaction. Consequently, any foreign bank that provides an account in US dollars, or facilitates a transaction in US dollars with a person or entity that is sanctioned by the US, is, in the

³¹ United Nations Secretary-General, 'Necessity of Ending the Economic, Commercial and Financial Embargo Imposed by the United States of America against Cuba' (A/68/116, 2013).

³² American Association for World Health (1997), 'Denial of Food and Medicine: The Impact of the U.S. Embargo on Health and Nutrition in Cuba: Executive Summary' 20.

³³ United Nations Secretary-General (A/58/287, 2003) 82.

³⁴ Amnesty International, 'The US Embargo against Cuba: Its Impact on Economic and Social Rights' (Amnesty International, 2009) 18.

³⁵ V Hidalgo and M Martinez, 'Is the U.S. Economic Embargo on Cuba Morally Defensible?' (2000) 3 *Logos: A Journal of Catholic Thought and Culture*, 109–10.

eyes of the US, in violation of US law. The US Treasury Department has been extremely aggressive about enforcing these restrictions against foreign banks. The Obama administration dramatically increased the scope and severity of the Treasury Department's enforcement measures, imposing penalties on the order of half a billion dollars on Credit Suisse Bank, the Dutch bank ING, and others, for transactions involving Cuba and other countries.³⁶ HSBC was fined in total \$2 billion for sanctions and other violations. The French bank BNP Paribas was fined a total of \$9 billion by the Treasury Department and US banking regulators, and was temporarily suspended from access to the US Federal Reserve system. In the face of these measures, it was not surprising when many Canadian and European banks severed ties with Cuba – including Barclays, the Bank of Nova Scotia, Credit Suisse, Deutsche Bank, Royal Bank of Canada and HSBC – rather than risk the harsh US penalties.³⁷

In addition, Cuba's imports and exports in general are affected by US unilateral measures concerning shipping. US sanctions prohibit ships of any nationality from docking at a US port if it has entered a Cuban port within 180 days. But many cargo ships carrying goods to or from Cuba would normally also have cargo destined for the US. In the face of these restrictions, contracts are sometimes cancelled due to lack of transport, as was the case with a New Zealand company that was under contract to sell powdered milk to Cuba.³⁸ Alternatively, Cuba has to pay for a ship to carry, for example, goods from Spain, and then pay for the ship to return empty, doubling Cuba's cargo costs. Even then, Cuba has difficulty finding carriers willing to provide these services.

The US measures against Cuba are also extraterritorial in other regards. The Helms-Burton law of 1996 provides that no goods from any country may be exported to the US if they contain even trace amounts of any materials from Cuba.³⁹ Cuba's leading exports are sugar and nickel. Consequently, a candy manufacturer in, say, Brazil, must ensure that the candy containing Cuban sugar is only sold to countries other than the US; an arrangement that is logistically untenable. Often the only commercially feasible option is simply not to buy any Cuban sugar at all. The same is true of nickel, which is used in the production of stainless steel. As a result, the US measures are extraterritorial in the extreme: any country that wishes to sell goods to the US – or produce any materials, such as stainless steel, that may eventually be used in goods that make their way to the US – must either go to great lengths to segregate its products made with Cuban raw materials, which would be a logistical nightmare, or find themselves involuntarily boycotting all Cuban imports.

Finally, the weighted voting structure of IFIs effectively ensures that a unilateral policy of the US functions as a global denial of access to the most significant capital markets. In the case of Cuba, the Helms-Burton Act of 1996 requires the US representatives to the boards of major IFIs – including the International Monetary Fund, the World Bank, the International Bank for Reconstruction and Development, and the

³⁶ Latin American and the Caribbean Economic System (2010), 'Follow-up Report on the Application of the Helms Burton Law, 2009–2010' (Permanent Secretariat of SELA) 6.

³⁷ US Government Accountability Office, 'Economic Sanctions: Agencies Face Competing Priorities in Enforcing the U.S. Embargo on Cuba' (2007) 54 fn 110.

³⁸ Hidalgo and Martinez, 'U.S. Economic Embargo on Cuba' (2000) 108.

³⁹ Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996 (Helms-Burton Act), 104–114, US Code 22 §6021, Sec 110(a)).

Inter-American Development Bank – to oppose any efforts to grant Cuba admission to these organisations or extend financial assistance.⁴⁰ In the unlikely event that the US were outvoted, and one of these institutions approved a loan or other assistance to Cuba, the Helms-Burton law requires the US to withhold its contributions to that institution in a corresponding amount,⁴¹ penalising the institution severely in the event that it provides Cuba with financial services.

V. Financial Sanctions

Many view the introduction of targeted financial sanctions as a powerful yet precise development in the evolution of economic sanctions. Whereas commodity sanctions, or sectoral sanctions, could trigger macroeconomic shocks, there was no concern that this could happen when sanctions were imposed on individual persons, companies or foundations. It seemed that these lists of Specially Designated Nationals (SDNs) offered an ideal means to cut off funding for terrorists, dictators, and so forth, without any ‘collateral damage’. In some cases that has been true. But, in practice, even unilateral listings have not been nearly as narrow in their impact as many would claim.

This occurs most directly when the SDN is a government official, a government body or a national company, because US financial sanctions do not simply freeze ill-gotten assets, but rather prohibit all transactions with a listed entity. Where the SDN is a national shipping company, all of the country’s exports and imports may be impacted. Where the SDN is a government body that manages an enterprise that generates foreign exchange, the country’s capacity to pay for needed imports will be compromised. Where the SDN is a government body that builds or maintains the infrastructure for electricity generation, transportation or telecommunication, that will impact industry, agriculture, food security, and the health and well-being of the population. When Sectoral Sanctions Identifications (SSI) lists were formulated, it seemed that they would bring greater precision to the process, since SSIs do not prohibit all dealings with the black-listed entity, but rather preclude particular types of transactions. The SSI listing may, for example, prohibit energy exports or the extension of credit. But that hardly means that only ‘bad actors’ will be affected. On the contrary, where sanctions impede a country’s transactions related to energy production or energy imports, the impact on every aspect of a modern economy will be vast, regardless of whether that occurs by an SDN or a ‘narrower’ SSI listing. When sanctions in one form or another interfere in the country’s major sources of revenue – regardless of whether that occurs by interfering in shipping or penalising those who engage in commercial or financial transactions – the result will be substantial economic disruption.

While the *impact* of a sanctions regime may go well beyond the individual who is blacklisted, the *scope* of a sanctions regime can also be expanded exponentially through other mechanisms. One of the most extreme forms of this is the Foreign Sanctions Evaders (FSE) list, used in the US’s sanctions against Iran and Syria. Under US law,

⁴⁰ *ibid*, Sec 104(a)(1).

⁴¹ *ibid*, Sec 104.

'US persons' already include a broad swathe of foreign companies, on the reasoning that they are subsidiaries of US companies, or interact with the US financial system.⁴² But the category of 'foreign sanctions evaders' extends the reach of US sanctions to a much broader range of foreign persons or entities. These 'evasions' of US sanctions are not limited to facilitating weapons purchases or hiding illicit assets. Even where US sanctions are over-broad in the extreme, interfering in the ordinary and necessary economic activities of the target country, a foreign company that facilitates normal commercial activity is then itself subject to being blacklisted. Once this happens, then 'US persons' in turn are prohibited from engaging in 'all transactions or dealings, whether direct or indirect' with the 'foreign sanctions evader'. So, for example, the US maintains that Swiss shipping company Bluemarine SA and the Dutch company Staroil⁴³ assisted Syria in circumventing US sanctions. Consequently, a European bank could in turn be penalised for processing a transaction in US dollars for these 'foreign sanctions evaders'. In effect, US sanctions are not only extraterritorial, but may penalise a foreign company for doing business with a foreign company that, in turn, does business with a country the US has sanctioned. Thus, the scope of the US sanctions is expanded exponentially.

The magnified impact of targeted financial sanctions can be seen in the case of Venezuela. In 2015, the Obama administration declared that the Maduro Government's human rights violations constituted a threat to the national security of the US, and on that basis ordered the imposition of sanctions on both current and former officials of the Venezuelan Government.⁴⁴ Over the course of the Obama and Trump administrations, the US blacklisted Venezuela's president, Nicolás Maduro, the former vice-president, Tareck El Aissami, and the current vice-president, Delcy Rodríguez. The US blacklisted Rocco Albisinni Serrano, the president of CENCOEX, the government agency that sets the foreign exchange rate, as well as Bernal Rosales, the Minister for Agriculture, and Alejandro Antonio Fleming Cabrera, the vice minister for Europe of Venezuela's Ministry of Foreign Affairs.⁴⁵ The US blacklisted Carlos Alberto Rotondaro Cova, the former head of Venezuela's agency charged with providing medicines to patients with chronic conditions, as well as William Antonio Contreras, the head of the agency for socioeconomic rights.⁴⁶ The director of the country's central bank was also blacklisted.⁴⁷

If the sanctions only affected the personal accounts of these individuals, with their putative ill-gotten gains, the sanctions might have little impact on the state or the economy as a whole. But the sanctions restrict *all* transactions with listed individuals,

⁴² Office of Foreign Assets Control, 'List of Foreign Sanctions Evaders Sanctioned Pursuant to Executive Order 13608 (US Department of the Treasury, 2020).

⁴³ *ibid.*

⁴⁴ Executive Order 13692 of March 8, 2015, Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Venezuela' *Federal Register* 80, no 40.

⁴⁵ US Department of the Treasury (2017), 'Treasury Sanctions 13 Current and Former Senior Officials of the Government of Venezuela' news release, 26 July 2017; J Fernandez, AM Smith, CT Timura and JA Lee, 'The Outlook for 2018 U.S. Economic and Trade Sanctions against Venezuela' (Gibson Dunn, 2018), 10.

⁴⁶ US Department of the Treasury, 'Treasury sanctions four current or former Venezuelan officials' press release, 19 March 2018.

⁴⁷ C Seelke, 'Venezuela: Overview of U.S. Sanctions' Congressional Research Service, 2 June 2020, 1.

making it prohibitively difficult for Venezuelan officials to, say, purchase medicines and agricultural inputs, or engage in diplomatic or financial negotiations with their international counterparts. Thus, sanctions that seem to address only individuals in fact can do much to paralyse the state in its core functions.

At the same time, the SDN lists served to cripple Venezuela's revenues from oil exports, by targeting Venezuela's national oil company, *Petróleos de Venezuela, SA* (PdVSA). Nearly all of the country's export revenue comes from oil sales.⁴⁸ Thus, while PdVSA may be an 'individual' company, it holds a critical role in the Venezuelan economy. As one analyst noted:

Cutting off the government's access to dollars will leave the economy without the hard currency needed to pay for imports of food and medicine. Starving the Venezuelan economy of its foreign currency earnings risks turning the country's current humanitarian crisis into a full-blown humanitarian catastrophe.⁴⁹

This indeed came to pass.

Targeted financial sanctions have greatly impacted Venezuela's economy in other ways. One of the most damaging set of sanctions intervened in Venezuela's access to credit. As Venezuela scrambled to avoid defaulting on its debt, the US added new sanctions prohibiting any 'US person' from extending credit to Venezuela if it would come due in more than 30 days. A 'US person,' in turn, extended well beyond US nationals. For purposes of the sanctions restrictions, the Treasury Department considered 'US persons' to include foreign subsidiaries of US companies, even if those subsidiaries were incorporated in foreign countries, and did business exclusively in foreign countries. Thus, not only were US banks and creditors prohibited from restructuring Venezuela's debt, but a substantial sector of the international financial community was also subject to severe penalties by the US for doing so. In 2019, the reach of the sanctions on Venezuela was extended still further, as additional regulations authorised financial sanctions on even non-'US persons' who assisted or supported the Maduro Government.⁵⁰

VI. The 'Chilling Effect'

While the explicit unilateral prohibitions on trade may be extensive, for the reasons discussed above, there is an additional impact that occurs when the sanctions regulations are vague and the requirements for compliance are not clear, or are not feasible, and at the same time, the stakes are very high, where banks and corporations may be subject to penalties in the billions of dollars, or may lose access to a major market or financial system. Under these conditions, it is not surprising that companies would be deeply averse to the risk of doing any business with anyone who might have even a remote relationship to a country or an entity that has been sanctioned. As a result, it is common to see private actors, including banks, shipping companies, insurers and

⁴⁸ F Rodríguez, 'Why More Sanctions Won't Help Venezuela' 12 January 2018, available at foreignpolicy.com/2018/01/12/why-more-sanctions-wont-help-venezuela.

⁴⁹ *ibid.*

⁵⁰ Seelke, 'Venezuela' (2020) 2.

manufacturers, go to great lengths to avoid any possible connection, however attenuated, given how high the stakes are.

The first component – the ambiguous requirements for compliance – can be seen in the due diligence standard. Under Treasury Department regulations, companies are expected to do far more than simply checking potential customers or transactions against the SDN list. They are also expected to exercise due diligence in ways that are not fully explicit in the regulations. Companies are required to engage in risk assessments on many levels: (1) risks posed by third parties, such as customers, suppliers and intermediaries; (2) risks posed by products and services; and (3) risks based on geographic locations of operations and third parties.⁵¹ But while companies are expected to take extensive measures to reduce their risks of inadvertently violating US sanctions, it is not entirely clear exactly what those measures must consist of. Risk-based compliance ‘is tailored to a company’s current business model’. Indeed, a company that seeks to apply a standardised set of procedures may find itself subject to even harsher treatment:

Recent OFAC enforcement actions show that a one-size-fits-all paper program, which fails to account for individualized business models, customer bases, and geographic operations, will not result in mitigation credit should potential violations arise under those programs, and may even be an aggravating factor.⁵²

In addition, complying with US sanctions regulations may force a company into violating the laws of other jurisdictions; or may make demands that are commercially untenable. At one point, a US State Department official ‘sent emails to the captain of an Iranian tanker that was suspected to be en route to Syria, asking him to steer the tanker to a country that would impound it on behalf of Washington.’⁵³ In May 2020, the Trump administration issued guidance for the global shipping industry, calling for insurance companies to share data on their clients with the US Government, but these practices would conflict with European privacy laws. The US also called for marine insurers to constantly monitor the locations of vessels they insure, which would be commercially and logistically untenable. The US Government also called on the insurance industry to investigate suspected sanctions violations involving the ships, even though insurance companies are ill-equipped (and deeply reluctant) to take on responsibility for enforcing US laws.

At the same time, the stakes are extremely high. In 2014, Deutsche Forfait (DF), a financial services company that purchases receivables, was accused by the US Treasury Department’s Office of Foreign Assets Control of engaging in commercial transactions with Iran, and the German company was then blacklisted. Once it had been placed on the SDN list, it was blocked from engaging in any US dollar-denominated transactions, and much of its business was suspended. Eight months later, DF was removed from the SDN list, apparently vindicated, without paying a penalty. DF’s chief financial officer

⁵¹ US Department of the Treasury, ‘A Framework for OFAC Compliance Commitments’ (2019).

⁵² M Mancuso and A Cotterill, ‘What OFAC Means by a Risk-Based Approach to Compliance’ 26 May 2020, available at www.kirkland.com/publications/article/2020/05/what-ofac-means-by-risk-based-approach-compliance.

⁵³ J Saul, H Pamuk and T Gardner, ‘U.S. Sanctions Advisory Raises Hurdles for Global Maritime Industry’ *Reuters*, 27 May 2020, available at www.reuters.com/article/us-usa-sanctions-maritime/u-s-sanctions-advisory-raises-hurdles-for-global-maritime-industry-idUSKBN2332LG.

noted that the company was blacklisted for a far shorter period than usual – only eight months, whereas the average time an entity spends on the SDN list is over two years.⁵⁴ Even so, the blacklisting was profoundly damaging; the company ‘was forced into an extensive restructuring and was at one stage placed into liquidation proceedings.’⁵⁵

BNP Paribas, France’s largest bank, did not fare so well. In 2014, it agreed to pay penalties of \$8.9 billion for violating US sanctions against Cuba, Iran and Sudan. However, ‘the transactions in question were not illegal under French or EU law. Nor did they fall foul of France’s obligations under the World Trade Organization or the United Nations; no agreements between France and the US were violated.’⁵⁶ The US claimed jurisdiction over these transactions because they were denominated in US dollars and passed through the US financial system. However questionable this claim may be, foreign banks – certainly all major Western banks – have little choice but to comply. In addition to the enormous monetary penalty, BNP Paribas was temporarily suspended from clearing certain transactions through the US Federal Reserve, a penalty that sent a chill through the international banking community: for any major Western bank, to be denied access to the US banking system, making it unable to clear US dollar transactions, is known as the ‘death penalty’.

Given the vagueness and untenability of the due diligence requirements, and the very high risks, it is not surprising to see how extensive and thoroughgoing the chilling effect has become. Private actors are reluctant to engage in even those transactions that are exempt from sanctions, such as humanitarian shipments or transactions. In the case of Syria, for example, humanitarian aid is not only threatened by the intensity of the armed conflict, but is then compromised as well by the sanctions put in place by the US, the EU and others.

To begin with, humanitarian organisations depend upon financial transfers to support projects such as providing potable water, producing or distributing food, and building shelter facilities, which in turn may require hiring local employees.⁵⁷ Financial transfers, in either euros or dollars, are problematic in part because of the collapse of much of Syria’s banking system, but also because various countries have imposed sanctions on Syria’s largest state-owned banks, as well as the Central Bank of Syria.⁵⁸ Commercial or humanitarian actors must navigate a labyrinth of sanctions programs, varying in their scope and particulars, including those imposed by the US, the EU, Japan, Canada, Australia, Switzerland, Norway, Turkey and the Arab League. The US sanctions are the most extensive in their scope, including not only broad financial

⁵⁴DF Deutsche Forfait AG (2014), ‘DF Deutsche Forfait AG Removed from OFAC Sanctions List without Having to Pay a Fine,’ news release, 17 October 2014, available at www.dfag.de/wp-content/uploads/2014/10/14OCT17_PM-OFAC-Delisting_final_EN.pdf.

⁵⁵V Damyanova (2018), ‘Deutsche Forfait Issues 2018 Profit Warning as US Sanctions Hit Iran Business,’ *S&P Global Market Intelligence* (20 June 2018), available at www.spglobal.com/marketintelligence/en/news-insights/trending/z0clllym05wfauvjvqvj9w2.

⁵⁶International Bar Association (2015), ‘BNP Paribas Sanctions Case Highlights US Power over International Deals’ (20 February 2015), available at www.ibanet.org/Article/NewDetail.aspx?ArticleUid=c88b73a0-ca06-46ac-83e6-00757f7ffcc.

⁵⁷J Walker, ‘Risk Management Principles Guide for Sending Humanitarian Funds into Syria and Similar High-Risk Jurisdictions’ (May 2020) 9.

⁵⁸*ibid.*, 11.

measures but also a blanket prohibition on US exports, which in turn includes not only goods produced in the US, but also goods produced abroad, where US components make up 10 per cent or more of the item.⁵⁹

Unsurprisingly, both financial institutions and manufacturers are wary of engaging in any transactions with Syria. If goods or funds were to end up in the hands of persons or companies that are blacklisted, the penalties could be severe; and even with considerable effort, in a volatile and unpredictable setting such as Syria, it would be difficult to ensure that no goods or funds are diverted.

The result is a 'chilling effect' in which financial institutions and other companies will go far beyond what is required, in order to minimise any risk of violation. In addition, 'even where goods and finance may be possible, the legal costs associated with undertaking due diligence and acquiring a license may in some instances be higher than the value of the goods and services.'⁶⁰ But while the risk assessment by banks and exporters may be quite reasonable, given their commercial interests and the conditions under which they are operating, the outcome is that the humanitarian situation is worsened catastrophically. Idriss Jazairy, the UN's Rapporteur on Unilateral Coercive Measures, noted that

the lack of clarity around humanitarian exemptions have led risk-adverse banks, insurance and shipping companies, and sellers of humanitarian goods from engaging with anyone related to Syria. The 'chilling effect' resulting from over-compliance with sanctions is forcing humanitarian and economic actors to find irregular payment mechanisms which increase costs, add delays, decrease transparency and in some cases make it impossible for businesses to continue.⁶¹

VII. Economic Rights and the Right to Development

Many have noted that sanctions may compromise the economic rights of the target country's population to survival and wellbeing, and may also compromise the right of the target country to economic development. Whereas sanctions imposed in the name of global governance may carry presumptive legitimacy, the same cannot be said of unilateral measures, which may be used solely to further the economic and political interests of the sanctioner. The UN Human Rights Council, the General Assembly and the UN Special Rapporteur on Unilateral Coercive Measures have all raised the concern that unilateral sanctions may well conflict with human rights; and that this may be the case even where the sanctioner purports to be defending human rights. There have been numerous international instruments that also express this concern. The Vienna

⁵⁹ *ibid.*

⁶⁰ *ibid.*, 26.

⁶¹ United Nations Human Rights Office of the High Commissioner (2018), 'UN Expert Says Unilateral Coercive Measures Exacerbate Humanitarian Crisis in Syria,' news release, 17 May 2018, available at www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23096&LangID=E.

Declaration, adopted by the World Conference on Human Rights in 1993, called upon states to

refrain from any unilateral measure not in accordance with international law and the Charter of the United Nations that creates obstacles to trade relations among States and impede the full realization of the human rights set forth in the Universal Declaration of Human Rights and in international human rights instruments, in particular the rights of everyone to a standard of living adequate for their health and well-being, including food and medical care, housing and the necessary social services.⁶²

Certainly there is support for the position that, whatever their justification, unilateral sanctions must themselves comport with international human rights law. General Comment 8 of the Committee on Economic, Social and Cultural Rights, which was adopted in 1997, notes with concern that:

Economic sanctions are being imposed with increasing frequency, both internationally, regionally and unilaterally ... such sanctions ... often cause significant disruption in the distribution of food, pharmaceuticals and sanitation supplies, jeopardize the quality of food and the availability of clean drinking water, severely interfere with the functioning of basic health and education systems, and undermine the right to work.⁶³

In 2000, the UN Human Rights Commission released a report which found that 'A sanctions regime imposed unilaterally ... must meet all the requirements for such sanctions inherent in the Charter, including conformity with the principles of justice and international law'.⁶⁴ And in 2012, the UN High Commissioner for Human Rights proposed that all sanctions regimes

must be imposed no longer than necessary, be proportional and be subject to appropriate human rights safeguards, including human rights impact assessments and monitoring conducted by independent experts. In particular, the positive impact that sanctions imposed with the objective of protecting human rights can be reasonably expected to have must outweigh the negative impact, taking into account the views of the population suffering under the human rights violations that gave rise to the sanctions and the impact on the most vulnerable parts of society.⁶⁵

In 1986, the General Assembly's 'Declaration of the Right to Development' asserted that:

The right to development is an inalienable human right by virtue of which every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realized.⁶⁶

⁶²United Nations General Assembly (1993), 'Vienna Declaration and Programme of Action,' A/CONF.157/23.

⁶³United Nations Committee on Economic Social and Cultural Rights: Economic and Social Council (1997), 'Implementation of the International Covenant on Economic Social and Cultural Rights General Comment No. 8 (1997) the Relationship between Economic Sanctions and Respect for Economic Social and Cultural Rights,' E/C.12/1997/8, 1-2.

⁶⁴United Nations Commission on Human Rights: Sub-Commission on the Promotion and Protection of Human Rights, 'The Adverse Consequences of Economic Sanctions on the Enjoyment of Human Rights: Working Paper Prepared by Mr. Marc Bossuyt' (2000) E/Cn.4/Sub.2/2000/33, 11.

⁶⁵United Nations General Assembly (2012), 'Thematic Study of the Office of the United Nations High Commissioner for Human Rights on the Impact of Unilateral Coercive Measures on the Enjoyment of Human Rights, Including Recommendations on Actions Aimed at Ending Such Measures' A/HRC/19/33, 11 January 2012, 11.

⁶⁶'Declaration on the Right to Development' (1986), A/RES/41/128, 4 December 1986, Art 1(1).

However, unilateral sanctions may run counter to the right to development, particularly since sanctions for the most part are imposed on countries in the developing world. While unilateral sanctions sometimes do indeed only impact terrorists or dictators, or affect only the proliferation of weapons, in many cases unilateral sanctions, directly or indirectly, interfere in a developing country's access to fuel, impede its access to the international banking system, compromise its imports and exports in a variety of ways, block its access to technology, and impede or prevent foreign investment. All of these compromise the target country's level of economic and social development, and its capacity for growth, in contravention of the international community's commitment to development.

When unilateral sanctions worsen impoverishment or affect the target country's infrastructure they would certainly run afoul of the Millennium Development Goals, articulated in 2000, which included the eradication of extreme poverty, achieving universal primary education, reducing child mortality, and combating HIV/AIDS, malaria and other diseases.⁶⁷ But unilateral sanctions of the sort we commonly see also run counter to the Sustainable Development Goals (SDGs). The SDGs, adopted by the UN General Assembly in 2015, included enhancing access to science and technology,⁶⁸ capacity-building in developing countries,⁶⁹ promoting an open, non-discriminatory and equitable multilateral trading system,⁷⁰ significantly increasing the exports of developing countries, 'with a view to doubling the least developed countries' share of global exports by 2020'.⁷¹ The Agenda for Sustainable Development notes that:

International trade is an engine for inclusive economic growth and poverty reduction, and contributes to the promotion of sustainable development ... We attach great importance to providing trade-related capacity-building for developing countries, including African countries, least developed countries, landlocked developing countries, small island developing States and middle-income countries ...⁷²

Insofar as sanctions interfere in, among other things, foreign investment, the acquisition of sophisticated technology, or increased energy production, it would seem that the sanctions would clearly run counter to the SDGs and other international instruments that affirm the right to economic development.

In the case of Cuba, this is apparent in several regards. For example, Cuba invested heavily in higher education, educating software engineers, doctors and healthcare professionals; and also invested in the development of the sciences, particularly those related to medicine and biotechnology. All of these were integral to Cuba's vision of its social and economic development. However, US sanctions law specifically prohibits the export of any item that might be used in Cuba's biotech production.⁷³ As a result, items related to medicine and healthcare have been prohibited, even when they are produced

⁶⁷ United Nations 'The Millennium Development Goals Report: Summary' (2015) 3–5.

⁶⁸ United Nations General Assembly (2015), 'Transforming Our World: The 2030 Agenda for Sustainable Development' A/RES/70/1, 25 September 2015, Goal 17.6.

⁶⁹ *ibid.*, Goal 17.9.

⁷⁰ *ibid.*, Goal 17.10.

⁷¹ *ibid.*, Goal 17.11.

⁷² *ibid.*, para 68.

⁷³ Cuban Democracy Act, 102–484, Title 22, sec 6004(c)(4).

only by US companies and could not be obtained elsewhere. This occurred, for example, when the US company Applied Biosystems was prohibited from selling a genetic analyser, which is essential for researching genetic disorders such as hereditary breast cancer, to Cuba's National Centre for Medical Genetics.⁷⁴

In addition, Cuba is well positioned to develop the field of software engineering. Cuba's system of higher education is well developed, producing a large number of university graduates with computer skills. However, the sanctions prevent Cuba from purchasing the equipment and software needed to train software engineers and support the growth of the field. US companies such as Apple and Hewlett Packard are prohibited from selling their products to Cubans; but in addition, even Japanese companies, such as Toshiba, cannot sell their products to Cuba, when those use components produced in the US, such as Intel processors.⁷⁵

VIII. Conclusion

We might say that there is a dark irony that characterises the landscape of unilateral sanctions. On one hand, many commentators continue to repeat the truism that unilateral measures are weak: they have little effect, and little success, and do little harm. That might have been the case during the Cold War, or the occasional exchanges among the US, China and Russia, where countries with relative parity impose measures on each other that may amount to little more than inconvenience or symbolism. But the reality is that almost all of the sanctions of the post-Cold War era have been characterised by a deep asymmetry; unilateral sanctions are predominantly imposed by countries of tremendous wealth and global influence, upon mid-sized countries with significant economic vulnerabilities, or small countries in the developing world. While the justifications are often moralistic in tone, the outcome can be unconscionable: triggering or worsening food shortages and health crises; worsening or contributing to power outages; the collapse of transportation systems; widespread unemployment; and refugee crises. This disparity between the common view of unilateral sanctions and the reality is rooted in large part in the fact that unilateral sanctions are overwhelmingly a tool of the US; and the US, in turn, can make or break entire global industries, along with the economic health of entire regions. It hardly matters that the extraterritorial sanctions regimes imposed by the US run counter to international law. For any airline, bank, shipping company, insurer, exporter, oil producer – in fact, any actor in the international business domain – there really is little choice. As Deutsche Forfait, as well as BNP Paribas and PB Tankers, learned, the penalties will be so severe that they cannot be seen as a cost of doing business, but rather as threatening the destruction of the enterprise.

The story of unilateral sanctions, particularly financial blacklisting, as akin to surgical strikes, likewise seems to suffer from a certain absurdity. It is not just that there are sometimes 'unintentional consequences' that inadvertently result from blacklisting a

⁷⁴ United Nations Secretary-General (n 31) 31–32.

⁷⁵ *ibid.*, 34.

country's oil industry, shipping lines, and banks. When a state is bankrupted and paralysed, or a country's fuel imports are cut in half, or all of the ordinary transactions necessary to operate a country's economy must somehow take place without access to any major bank in the US or Europe, the consequences are quite certain, quite foreseeable and quite indecent. Whatever the justification may be – we are punishing or chastising or coercing political leaders who are corrupt or incompetent or tyrannical – the imposition of unilateral sanctions by the US, and occasionally others, with little restraint, and with no accountability, does nothing to make the world less chaotic, less violent, or less desperate.

