



# The human consequences of economic sanctions

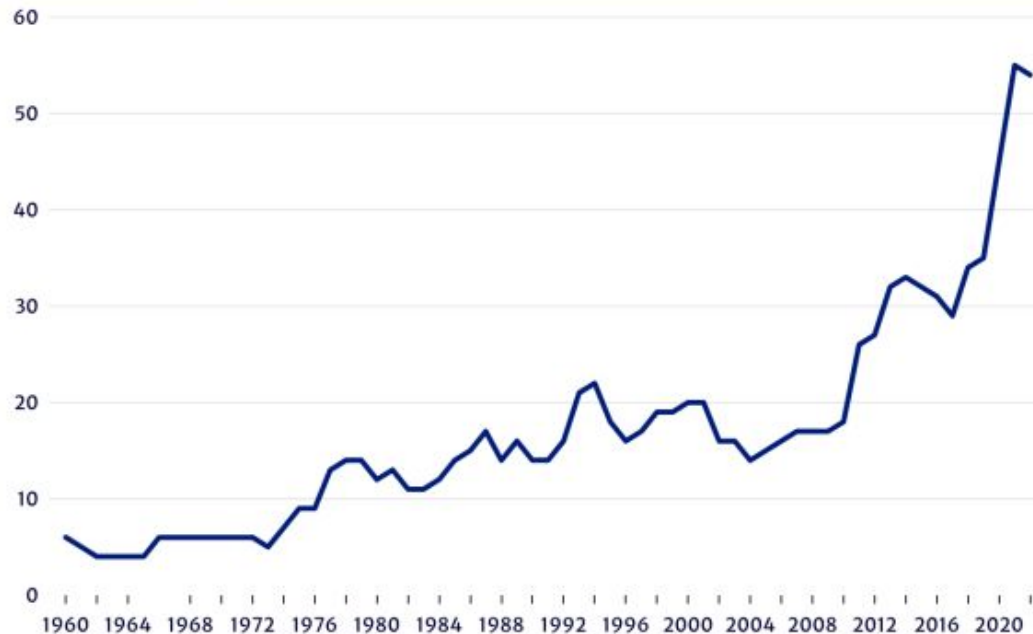
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# USE OF SANCTIONS HAS GROWN RAPIDLY IN RECENT DECADES

**Figure 1**

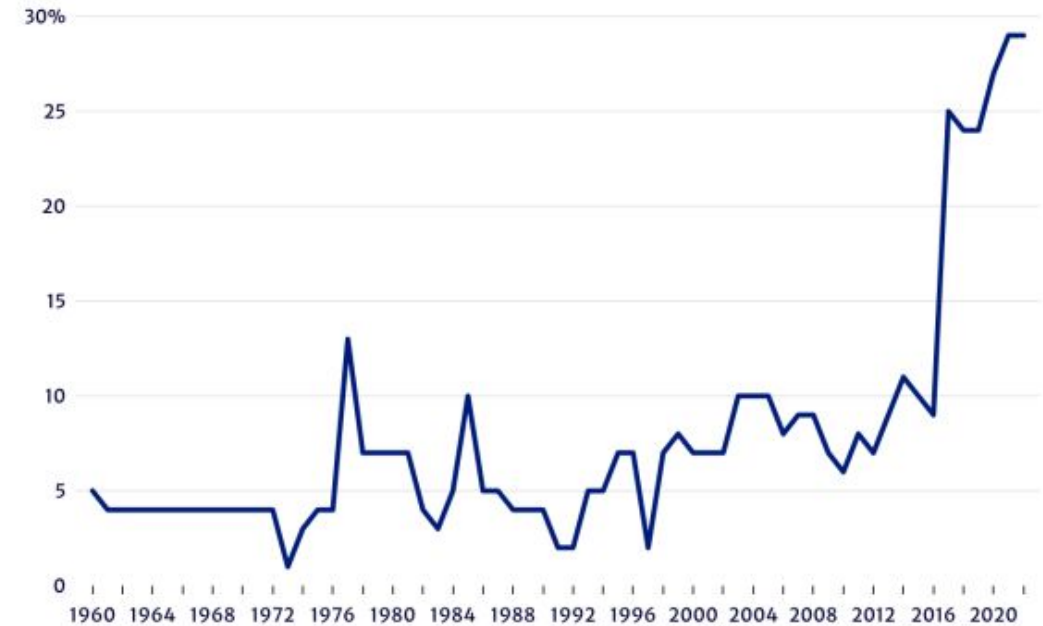
**Number of Countries under UN, EU, or US Trade Sanctions, 1960–2022**



Source: Author's calculations based on World Bank Group and Felbermayr et al. (2020).

**Figure 2**

**Share of World GDP under UN, EU, or US Trade Sanctions, 1960–2022**



Source: Author's calculations based on World Bank Group and Felbermayr et al. (2020).

# EMPIRICAL EVIDENCE ON EFFECT OF SANCTIONS

- I surveyed 32 quantitative studies measuring the impact of sanctions on living conditions in target countries.
- Studies deal with effects on income, poverty, inequality, public health, mortality and human rights, among others.
- Thirty of the studies found consistent negative significant effects on living standards.
- Magnitude of identified effects is very large.
  - *26 percent decline in income per capita.*
  - *Reduction of 1.4 years in female life expectancy.*
- Estimated effects are similar to those seen in armed conflicts.

# SANCTIONS AFFECT ESSENTIAL IMPORTS AND SPENDING

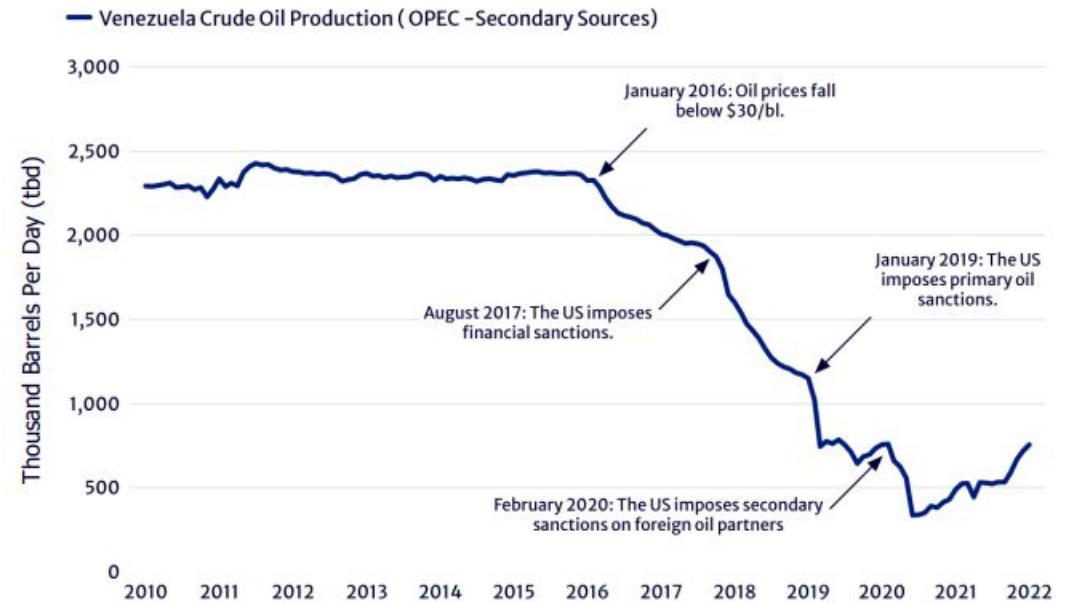
- Sanctions targeted at export sectors reduce economy's exports revenues, leading to reductions in import capacity.
- The shortfall in external revenues causes depreciation and inflation, leading to declines in consumption and increases in poverty.
- Declines in fiscal revenues cause decline in spending on public health and basic services.
- Authoritarian governments are more likely to shift the burden of sanctions on more vulnerable groups.

# SANCTIONS HELPED DRIVE DECLINE IN VENEZUELAN OIL PRODUCTION

- Declines in oil production closely associated with rounds of tightening of sanctions.
- Firms with prior access to finance were strongly hurt by 2017 debt sanctions.
- Guaidó recognition severely limited access to assets and funding sources.
- Similar channels are present in the cases of Iran and Afghanistan.

**Figure 15**

## Venezuela Oil Production, 2008–2022



Source: Author's elaboration based on OPEC: Monthly Oil Market Report.