CEPR CENTER FOR ECONOMIC AND POLICY RESEARCH

US Sanctions Policy: Frequently Asked Questions

Economic sanctions have become a go-to instrument of US foreign policy. In recent decades, the number of US-imposed sanctions has more than quadrupled, but the increased use of this form of coercion has taken place with little discussion of the enormous human cost. Today, a growing body of evidence makes clear that broad, unilateral sanctions often kill — as well as severely harm — innocent people around the world.

The following resource is intended to aid policymakers and advocates in understanding US sanctions policy and its lethal and humanitarian consequences. This guide focuses primarily on broad economic sanctions imposed unilaterally by the United States, and is not comprehensive with respect to all forms of sanctions globally. For a quick summary, see CEPR's "The Case Against Economic Sanctions" fact sheet.

For news and updates regarding US sanctions policy — and its deadly impact around the world — follow CEPR's Sanctions Watch monthly news bulletin.

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1. What are economic sanctions?

The word "sanctions" is used to refer to a broad range of coercive policies imposed by governments or multilateral organizations to constrain the activities of foreign nations, entities, or individuals. Economic sanctions vary widely in scope and form, from restrictions on travel, to export controls, to bans on trade or transactions; from measures targeting individuals to those applied to entire countries; and from policies imposed by a single nation to regimes agreed to by multilateral bodies like the UN.

This resource primarily uses "sanction" to refer to broader economic restrictions that target or significantly affect the overall economy of other nations through limits on trade and finance. Given the United States' unique leverage within the global financial system, and the fact that it deploys sanctions far *more than any other country, this resource is focused on sanctions imposed unilaterally by the United States.*
US sanctions can generally be classified, in terms of regulatory scope, as *comprehensive* — banning all or most economic activity including financial transactions, exports, and imports, with entire countries, such as Cuba, Iran, North Korea, Syria, or subnational regions, like Donetsk and Luhansk; *sectoral* — prohibiting certain forms of engagement with particular sectors within a targeted economy; or *list-based* (i.e., individual or entity sanctions) — prohibiting transactions with, or blocking the assets of, certain companies, organizations, or individuals placed on a federal sanctions list (primarily the Specially Designated Nationals and Blocked Persons List). While list-based sanctions are sometimes referred to as "targeted," or "smart," sanctions, their effects can be quite far-reaching, as discussed below.

In general, these prohibitions apply to transactions with a "US nexus," i.e., those involving a US person, US products, or activity on US soil. In addition to these primary sanctions, secondary sanctions are those applied to third parties — neither US citizens nor the targets of primary sanctions — in order to penalize engagement with the primary target. For example, a foreign financial institution that transacts with an Iranian petroleum company may itself be sanctioned under the US's Iran sanctions program. In this way, US sanctions regimes, leveraging the dominant role of the US in the global financial system, can be extended well beyond financial and commercial activities involving US-based individuals and companies, and can have a substantial and harmful impact on people, businesses, and countries even when they are not the primary target of the sanctions.

2. Under what authorities are US sanctions imposed?

Rather than a single measure, a given sanctions regime is typically better understood as a tangled web of interlocking restrictions on various individuals, organizations, and activities. These are imposed under a number of different legal authorities, including:

- **Trading with the Enemy Act (TWEA)** — Passed as a wartime measure in 1917, the TWEA, among other things, authorizes the president to impose sanctions on countries or individuals deemed enemies of the United States. Originally applicable only during times of war, Congress expanded TWEA authorities in the 1930s to allow for peacetime action if the president declared a national emergency. The TWEA was used during World War II, and then extensively in the 1950s and '60s as a Cold War measure, to restrict trade with dozens of countries. Beginning in 1976, following the Watergate scandal, US involvement in Vietnam, and a number of revelations regarding abuses of executive authority, Congress enacted a series of measures intended to rein in executive emergency powers under the TWEA. Today, the TWEA is only a legal authorization for certain US sanctions on Cuba.

- **International Emergency Economic Powers Act (IEEPA)** — Passed by Congress in 1977 under the National Emergencies Act umbrella, which sought to limit emergency powers, the IEEPA authorizes the president to declare a national emergency regarding an "unusual and extraordinary threat … to the national security, foreign policy, or economy of the United States," and to impose sanctions on countries, groups, or individuals in response to that threat, without additional congressional approval. Despite its original intention of putting guardrails on national emergency powers, one Congressional Research Service report notes that IEEPA declarations have significantly "expanded in scale, scope, and frequency," and today the IEEPA is the most common authority by which sanctions are imposed. According to the report:

  > Between 1977 and January 15, 2024, Presidents have invoked IEEPA in 69 new declarations of national emergency … On average, these emergencies last nearly nine years. Most emergencies have been geographically specific, targeting a specific country or government. However, since 1990, Presidents have declared non-geographically-specific emergencies in response to issues like weapons proliferation, global terrorism, and malicious cyber-enabled activities. … Between 1976, when the NEA was enacted, and 2019, Congress

> had never affirmatively voted to terminate a national emergency, ... [and up to today] no emergency declared under the NEA has been terminated without Presidential assent.

Interpretations of the IEEPA's mandate, and the legality of certain sanctions imposed thereunder, are disputed. For example, countries sanctioned under the IEEPA often do not appear to constitute an "unusual and extraordinary threat" to the national security of the United States; in some cases there is no obvious security threat at all. For this reason, some have debated the legal foundation of these orders.

- **Other Congressional Authorizations** — While the IEEPA has been used by successive presidential administrations to impose a wide range of sanctions *without* congressional approval, some sanctions are specifically authorized or mandated by legislation passed by Congress. The Caesar Syria Civilian Protection Act of 2019, for example, authorizes the imposition of secondary sanctions on parties that engage in transactions with the Syrian government. The North Korea Sanctions and Policy Enhancement Act of 2016, among other things, requires the imposition of secondary sanctions on individuals or entities involved in the trade of certain minerals and metals with North Korea. The Cuban Democracy Act of 1992 and the Cuban Liberty and Democratic Solidarity Act of 1996, also known as the Torricelli and Helms-Burton acts, respectively, codify preexisting sanctions on Cuba, and add new ones. And the Global Magnitsky Human Rights Accountability Act authorizes sanctions against individuals allegedly involved in a range of types of corruption or human rights abuses, without geographic constraints.

  While many of these laws require or authorize executive action under the IEEPA, some operate through different mechanisms, such as the Zimbabwe Democracy and Economic Recovery Act (ZDERA), which acts as a type of sanction by making it US policy to oppose financing or debt relief for Zimbabwe at multilateral institutions.

3. How are sanctions administered?

US sanctions policy is primarily administered and enforced by the Office of Foreign Assets Control (OFAC) of the US Department of Treasury. OFAC works with other agencies, including the State Department, to identify, investigate, and issue fines for sanctions violations. OFAC is also charged with the administration of licenses exempting otherwise prohibited activity, both general — authorizing particular types of activity without the need for individual permission — and specific — issued to particular entities for specific activities. Other agencies involved in the administration of certain types of sanctions include the State Department, which oversees restrictions on visas, arms sales, and aid; and the Department of Commerce, which manages export controls.

4. What are the impacts of economic sanctions?

The evidence that economic sanctions cause serious harm to civilian populations is overwhelming. Broad sectoral sanctions are known to stunt a country's overall economic growth, sometimes causing or prolonging recessions and even depressions. Sanctions also hinder access to essential goods such as food, energy, and medicine; obstruct humanitarian assistance; and, as a result, generate additional poverty, hunger, disease, and high numbers of avoidable deaths. The harm caused by economic sanctions, as with most economic shocks, is disproportionately borne by women and other oppressed and marginalized communities. US economic sanctions can even obstruct multilateral responses to global crises. For example, when the IMF issued $650 billion in Special Drawing Rights to support the global economy in 2021, US sanctions on central banks prevented many countries from making use of their share of the allocation.
A recent literature review showed that 30 of 32 peer-reviewed, quantitative studies found that broad sanctions have a significant negative impact on measures such as income, poverty, mortality, and human rights. US sanctions on Venezuela are estimated to have contributed to tens of thousands of deaths in a single year. Sanctions on North Korea were estimated to have led to the deaths of approximately 4,000 civilians in 2018 alone. In short: sanctions kill.

These devastating economic and humanitarian consequences in turn drive civilians to seek better lives elsewhere, including in the United States. This link between sanctions and migration has been highlighted by leading economists, members of Congress, and foreign leaders.

5. Are the civilian impacts of economic sanctions avoidable?

Many, including US Congressman Jim McGovern (D-MA), when he served as Chair of the House Rules Committee, have argued that broad sanctions are imposed with the *intention* of targeting civilians, and with the implicit goal of inducing such widespread hardship as to lead affected populations to put pressure on, or overthrow, their governments: "The impact of sectoral and secondary sanctions is indiscriminate, and purposely so," wrote McGovern in a letter to President Biden, calling for an end to the sanctions against Venezuela. "Although U.S. officials regularly say that the sanctions target the government and not the people, the whole point of the 'maximum pressure' campaign is to increase the economic cost to Venezuela ... Economic pain is the means by which the sanctions are supposed to work. ... It is not Venezuelan officials who suffer the costs. It is the Venezuelan people."

Such claims are evidenced by statements from then-Secretary of State Mike Pompeo regarding the Trump administration's sanctions on Venezuela:

> We always wish things could go faster, but I'm very confident that the tide is moving in the direction of the Venezuelan people ... It doesn't take much for you to see what's really going on there. The circle is tightening. The humanitarian crisis is increasing by the hour ... You can see the increasing pain and suffering that the Venezuelan people are suffering from.

And on Iran: "Things are much worse for the Iranian people, and we're convinced that will lead the Iranian people to rise up and change the behavior of the regime."
Biden administration officials have also touted the impact of US sanctions on the entire Iranian economy:

> If we weren't enforcing sanctions on Iranian oil, Iran today would be back to where they were before sanctions, which is at about 2.5 million to 3 million barrels a day [NB: current production is about 1.4 million barrels per day]. ... The reason they are not doing that is because they are under sanctions ... By and large they are under extreme sanctions; they are not able to develop their gas sector even though they have one of the largest reserves in the world and they export nothing. So I think that we're doing very well with that.

A declassified 1960 State Department memo on the Cuba embargo suggested "denying money and supplies to Cuba, to decrease monetary and real wages, to bring about hunger, desperation and overthrow of government." Similarly, then representative Robert Torricelli described the intention of his 1992 Cuban Democracy Act as being to "wreak havoc on that island." And Trump's secretary of state Mike Pompeo reportedly told a number of European diplomats that the "maximum pressure" strategy was designed to "starve" Cuba in order to bring down the government.

To the extent that this intentionality is the case, economic sanctions are inseparable from their widespread and devastating effects on civilian populations, especially in developing countries. The existence of "humanitarian exemptions" for some sanctions regimes can create the impression that civilians can be protected from the dire effects of economic sanctions, yet, even when exemptions allow a limited amount of humanitarian assistance to flow into a sanctioned country, they do little to attenuate the human suffering caused by the broad economic damage that sanctions produce (see below). While not all sanctions are as broad as those imposed on Cuba or Iran, even "targeted" sanctions are known to have significant spillover effects, as described below.

6. How do sanctions affect the behavior of targeted governments?

By immiserating civilian populations, sanctions allow targeted governments to point — with some justification — to an external enemy as the cause of their country's woes. As a result, one effect of sanctions is to induce the impacted population to "rally around the flag," consolidating government support and, in some cases, providing a convenient excuse for repressing opposition. As such, sanctions are associated with a deterioration, rather than promotion, of democracy and human rights in targeted countries. To the extent that the goal of sanctions is, in fact, to incentivize a targeted government to change its behavior, sanctions typically backfire.

Many of the most comprehensive US sanctions regimes, such as those imposed on Cuba, Iran, and North Korea, have been in place for decades with no obvious "success" in their professed — and indeed often dubious — goals. Even if there were evidence that sanctions effectively incentivize changes in the behavior of targeted governments, such effects would need to be weighed against their potential illegality (see below) and often devastating humanitarian toll, including the mass deaths of civilians.

7. Are US sanctions targeted?

Sanctions come in a wide range of forms, from total prohibitions on trade and transactions with entire countries, to the blocking of particular individuals from engaging with the US financial system. While some sanctions are certainly more narrowly targeted than others, even some "targeted" sanctions can have significant spillover effects, and the claim that a particular measure is targeted may, in some cases, belie its wider impact. For example, sanctions on a single corporation — such as a state-owned oil company on which a country's economy is heavily dependent — can prove devastating for an entire country. Sanctions on an individual government official such as a finance minister or central bank chief, often, in practice, dissuade entities from engaging with an entire government agency.

Sanctions also have a chilling effect on activity that is not technically prohibited. Financial institutions and companies typically "over-comply" with sanctions by fully disengaging or severely restricting activity rather than taking costly precautionary measures or risking running afoul of sanctions restrictions. Given that "targeted" sanctions are often precursors to more extensive restrictions, they also tend to increase the perceived risk of doing business in a targeted country and may scare off potential business and investment.

The degree to which a given sanctions measure should be understood as "targeted" is therefore dependent not only on its narrow legal definition, but on the context and real-world implications.

8. What impact do humanitarian exemptions have?

Many US sanctions regimes have exemptions — often defined by OFAC-issued general licenses — for humanitarian goods such as food, medicine, and medical equipment. These exemptions are important for allowing access to certain critical goods and providing some measure of relief. However, these exemptions are limited, and do not negate the sanctions' significant adverse humanitarian impacts.

As a result of sanctions, humanitarian organizations are often forced to spend significant time and resources navigating labyrinthine regulations — if they can even afford to do so. One NGO reports that it took nearly a year and a half for the organization to gain clearance to ship 16 boxes of beans to North Korea. Even legally permitted activities may, in effect, be significantly limited due to overcompliance and fear of penalties.

Moreover, the sanctions regime itself is often a leading driver of factors that necessitate humanitarian assistance, and of the inability of the sanctioned economy to provide for those needs. In other words, while sanctions exemptions may provide a measure of relief, their impact is far outweighed by the sanctions themselves.

9. Are US economic sanctions legal?

The legality of economic sanctions is contested, with debates varying based on the scope of the sanctions, their goals, their effects, the authorities under which they are imposed, and many other factors.

One school of thought holds that it is only the United Nations Security Council that can legally impose sanctions (with that power derived from Chapter VII of the UN Charter). Unilateral sanctions, or multilateral sanctions not endorsed by the UNSC, in contrast, violate the principle of state sovereignty and undermine the international rule of law. According to former UN Special Rapporteur Idriss Jazairy, "the resort by a major power of its dominant position in the international financial arena against its own allies to cause economic hardship to the economy of sovereign States is contrary to international law, and inevitably undermines the human rights of their citizens."

Economic sanctions imposed unilaterally by the US may also violate the Charter of the Organization of American States, to which the US is a party. Articles 19 and 20 of the Charter state:

> No State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State. The foregoing principle prohibits not only armed force but also any other form of interference or attempted threat against the personality of the State or against its political, economic, and cultural elements. ... No State may use or encourage the use of coercive measures of an economic or political character in order to force the sovereign will of another State and obtain from it advantages of any kind.

Other arguments against the legality of economic sanctions are based on their impacts. Given the significant harm to civilian populations, many economic sanctions can be said to violate international human rights law and treaty obligations, such as the Vienna Declaration and Programme of Action and several UN Human Rights Council Resolutions. Further, as described by Jeffrey Sachs and CEPR's Mark Weisbrot, "both the Hague and Geneva Conventions, to which the US is a signatory, prohibit collective punishment of civilians. Although these treaties apply only during wartime, UN human rights experts have argued that it does not make sense that civilians should only have this protection during situations of armed conflict."

To the extent that particular sanctions violate international law, they erode international legal norms and undermine aspirations toward a rules-based international order.

Many US sanctions rest on shaky foundations under domestic law as well. Most are imposed under the IEEPA, which requires declaration of a national emergency regarding an "unusual and extraordinary threat ... to the national security, foreign policy, or economy of the United States." In many cases, such a claim — that, for example, the political situations in Venezuela or Zimbabwe somehow constitute an "extraordinary threat" to US national security — has little to no basis.

10. What countries does the US sanction, and what are their impacts?

Afghanistan

When the Taliban took control of Afghanistan in August 2021, the United States stopped recognizing the credentials of the independent Afghanistan Central Bank (DAB). As a result, the US has essentially barred DAB, or any other Afghan institution, from accessing the roughly $7 billion of Afghan funds that had been deposited at the New York Federal Reserve. Another $2 billion held in the UK, Germany, Switzerland, and the UAE has also been effectively frozen, and roughly $440 million in Special Drawing Rights has been blocked by the International Monetary Fund, due primarily to US and EU nonrecognition of the current Afghan government. Without access to its foreign reserves, a central bank cannot function — and without a central bank, an economy cannot thrive. This policy, though not an official sanction *per se*, has in effect barred Afghanistan's central bank from performing basic functions, and has contributed significantly to the collapse of the Afghan economy and to the present humanitarian crisis in which nearly half the population faces acute hunger. Moreover, it has contributed to the displacement of commercial and financial transactions to an informal economy in which organized crime and terrorism networks are major players. In other words, the measure has arguably weakened regional security and stability and has strengthened actors that the US considers to be national security threats.

On February 11, 2022, the Biden administration issued an executive order setting aside half the DAB's reserves for potential compensation in an ongoing lawsuit led by families of victims of the September 11, 2001 terror attacks. While a federal judge has since ruled that the families are not entitled to the reserves, litigation is ongoing and, without executive intervention, may continue for years to come. The other half of the reserves was authorized to be used "for the benefit of the Afghan people." In September 2022, the administration announced that it would be transferring this $3.5 billion to an account at the Bank of International Settlements — an international organization of central banks — under the ownership of a newly established “Afghan Fund” managed by a Board of Trustees composed of two Afghan economists and US and Swiss government representatives. According to the administration, the Fund has “the ability to authorize targeted disbursements to promote monetary and macroeconomic stability and benefit the Afghan people,” including by paying for imports and arrears at international financial institutions. Most of the $3.5 billion, however, is intended to remain unused, held for an unspecified potential future recapitalization of the Afghan economy, predicated on ill-defined conditions. While some saw this move as a small step toward the funds’ return, others questioned the legitimacy of transferring assets to a board that’s unaccountable to the Afghan people, and emphasized that the economy’s functioning still depends on the funds’ prompt return to the central bank. To date, this Fund remains nonoperational, and recapitalization of the Central Bank a distant prospect.

Though the US decision to prevent the Central Bank from accessing its foreign reserves may be a major driver of Afghanistan’s economic crisis, the situation is exacerbated by the sanctions on the Taliban and its individual leaders that predated the 2021 takeover. These have led many banks and financial institutions to stop processing transactions involving Afghan bank accounts for fear of being penalized. Treasury’s subsequent issuance of a general license to facilitate economic activity, has helped to improve — but not fully resolve — this issue.

Cuba

US sanctions on Cuba are some of the oldest, and most restrictive, of all existing economic pressure regimes. On October 19, 1960, the Eisenhower administration imposed a trade embargo on Cuba — banning most exports to the island — largely in response to the Castro government’s nationalization of oil refineries and its redistributive agrarian reforms. The Kennedy administration later expanded the embargo, invoking the Trading with the Enemy Act to prohibit all trade, travel, and financial transactions as part of a wider campaign aimed at destabilizing the Castro government and fomenting regime change.

In the decades that followed, various executive and legislative actions would tighten or loosen particular restrictions — for example, the Cuban Democracy Act of 1992 authorized withholding aid from any country that provided assistance to Cuba, but allowed for the donation of certain humanitarian goods; but the underlying comprehensive embargo remained largely the same. In 1996, the Cuban Liberty and Democratic Solidarity Act (also known as the Helms-Burton Act, after the two Republican legislators who introduced the legislation) enshrined the embargo into law until Cuba becomes a “market economy,” among other conditions. While the Obama administration made moderate progress in restoring diplomatic relations and easing certain trade restrictions with Cuba, these steps were largely reversed under the Trump presidency. President Trump further broadened the sanctions regime by adding Cuba to the "State Sponsors of Terrorism" list (despite bipartisan criticism of the factual basis of the designation), and by becoming the first president not to waive Title III of the Helms-Burton Act — thereby allowing legal action against entities or individuals of third-party countries that engage in financial or commercial relations with properties nationalized by the Cuban government. President Biden has maintained these and most other Trump-era Cuba policies.

Decades of strict embargo — described by many as a "blockade" due to its restrictions on third-party engagement with Cuba — have severely affected Cuba's economic development and its entire population. In 2018, the United Nations reported that the six-decade embargo has cost the island roughly $130 billion; others place the figure even higher. In part as a result of the Trump-era tightening of the embargo, Cuba has been facing a years-long economic and humanitarian crisis leading to the migration of over 4 percent of the country's population. Every year for three decades, the UN General Assembly has voted, nearly unanimously, to demand the United States end its embargo on Cuba. In 2023, the resolution passed for the thirty-first time by a vote of 187 to 2.

Iran

The United States first imposed unilateral sanctions on Iran during the 1979 US embassy hostage crisis. Though these were lifted in 1981 as part of negotiations regarding the hostages' release, new sanctions were imposed three years later with the designation of Iran as a "State Sponsor of Terrorism." The sanctions regime was later expanded — primarily under the Clinton and George W. Bush administrations — in part in response to the development of Iran's nuclear program.

Sanctions were ramped up under the Obama administration, causing significant inflation and economic hardship for the population. In exchange for limits on, unprecedented international access to, and oversight of, Iran's nuclear program, certain US and multilateral sanctions on Iran were lifted under the 2015 Joint Comprehensive Plan of Action (JCPOA), or "Iran nuclear deal." However, in violation of the historic deal, the US reimposed sanctions following the Trump administration's unilateral withdrawal from the JCPOA in May 2018, and imposed greater sanctions in order to devastate Iran's economy as part of a "maximum pressure" campaign. Despite strong criticism of his predecessor's Iran policy, President Biden has yet to return the United States to the JCPOA or reach an agreement to restore mutual compliance with the deal, and the sanctions regime largely remains in effect. US sanctions on Iran now bar US actors — as well as some non-US actors — from almost all trade and financial transactions with Iran. Even where certain transactions are exempt, such as the import of humanitarian goods, financial institutions often refuse to handle them out of fear of penalties. This impedes the flow of "allowed" goods as well.

Though US sanctions on Iran are nominally intended to deter the Iranian government's pursuit of nuclear weapons and its alleged support for international terror, many analysts consider them to actually be aimed at instigating regime change. This concern was validated in part by the Trump administration's decision to abrogate the JCPOA, despite its role in containing Iran's nuclear ambitions and that Iran was in full compliance with the terms of the agreement.

Over the course of decades, US sanctions have had a devastating effect on the Iranian people, driving up poverty and unemployment, restricting access to medicines, hindering the government's ability to respond to COVID-19, and disproportionately harming women, all while strengthening the hands of government hard-liners and undermining civil society.

North Korea

In 1950, the United States responded to the outbreak of war on the Korean peninsula with a total embargo on exports to North Korea, imposed under the Trading with the Enemy Act of 1917. Though varying in their nature, scope, and stated goals, the US has maintained significant sanctions on the country in some form ever since. These were driven first by Cold War policy and later were in response to the North Korean government's nuclear weapons program, which North Korea sees as critical to its survival given the formally ongoing Korean war and the perceived threat from US-South Korean-Japanese military buildup and encirclement.

After periods of easing and tightening, including the 1988 US designation of North Korea as a "State Sponsor of Terrorism," the contemporary sanctions regime took shape following North Korea's first nuclear test in 2006, to which the UN Security Council, the US, the European Union, and others responded by imposing new sanctions. Multilateral and unilateral sanctions have since been expanded considerably, typically in response to new weapons tests. The US imposes sanctions beyond those authorized by the UN Security Council, primarily under the authority of the IEEPA and various congressional statutes. US sanctions now target North Korea's oil imports, key minerals sector, and most finance and trade, both directly and through secondary sanctions.

The over-half-century-old US sanctions on North Korea have plainly failed to address security and human rights concerns, while entrenching the North Korean position that the US maintains a hostile policy that can only be deterred by nuclear threat. The sanctions have hindered access to food, medicine, and other humanitarian necessities, and have contributed immensely to the North Korean people's immiseration. One study found that US sanctions on North Korea were responsible for 4,000 deaths in 2018 alone, with disproportionately harmful effects on women and girls.

Russia

Prior to 2022, the majority of US sanctions on Russia had been imposed in 2014 in response to Russia's invasion and occupation of Crimea. Issued by the Obama administration through a series of executive orders under IEEPA authority, these sanctions restricted access to finance for key sectors of the Russian economy, including finance, energy, and defense, and blocked trade in certain goods related to Russia's oil and gas development. Various Russian individuals and entities were also subject to restrictions under the Magnitsky Act, and/or as a penalty for violating US sanctions on Venezuela, Syria, and elsewhere.
Following Russia's 2022 invasion of Ukraine, the US and many of its European allies dramatically expanded this sanctions regime, imposing successive packages of sweeping restrictions that France's finance minister described as "all-out economic and financial war." These measures include freezing Russia's central bank reserves; restricting transactions with major government and business leaders; blocking Russia's largest banks and state oil companies from accessing US finance; removing major banks from SWIFT — a key piece of the global financial architecture; and banning or capping the price of much — and in the US's case, all — imports of Russian oil and gas. All told, well over 15,000 sanctions have now been imposed on Russia.

The consequences of this nearly unprecedented set of sanctions on a major world power have been profound. While the Russian economy has not collapsed as initially predicted, sanctions have moderately slowed economic growth and increased the cost of living for Russian civilians. While sanctions were initially billed as a short-term solution likely to provoke the immediate collapse of Russia's economy and stop the Ukraine war in its tracks, today, the apparent objective has shifted toward a long-term war of attrition and the slow degradation of Russia's economic base. Given the size of Russia's economy, the impacts of these sanctions have been felt around the world, adding to global fuel and food price increases, supply chain constraints, and overall inflation affecting the US and Europe (which have, in turn fueled far-right populism). They have also, in particular, harmed developing countries already at risk of food insecurity.

While proponents of the sanctions argue that they have reduced the resources available to Russia to wage war, critics contend that there is little evidence that they have meaningfully altered Putin's behavior or encouraged diplomatic movement toward peace.

Syria

As an officially designated "State Sponsor of Terrorism" since the US government created the list in 1979, Syria has faced unilateral US sanctions in some form ever since. These were augmented by the George W. Bush administration in 2004 in response to the Assad government's purported pursuit of weapons of mass destruction, its support for groups such as Hezbollah and Hamas, and its having allowed foreign fighters to enter Iraq during the US occupation. Leaked State Department cables published by WikiLeaks suggest that US policy at this time was motivated in part by a desire to instigate regime change.

The current sanctions regime, however, was shaped most significantly by measures imposed under the Obama and Trump administrations. In response to the civil war that began in 2011, the Obama administration announced a series of escalating sanctions, ultimately resulting in a regime that barred most financial transactions with, and investment in, Syria. The Caesar Civilian Protection Act, or "Caesar Act," passed by Congress in 2019, expands the sanctions' scope even further by imposing secondary restrictions on non-US entities that engage in such transactions. Sanctions on certain activities in specific regions have been loosened slightly under President Biden.

Collectively, these sanctions have had calamitous effects on the already war-battered country and its brutalized population. Syria is home to over six million internally displaced people. Nine out of 10 Syrians live in poverty, and 12.4 million are food insecure. Recent years have seen a collapse of the Syrian pound, and a resulting economic crisis. While these cannot be attributed to sanctions alone, there is no doubt that the sanctions regime has compounded the situation. When a February 2023 earthquake killed tens of thousands and displaced millions more, sanctions impeded the humanitarian response. Against all these costs, there is little indication of any progress in the stated — and in itself legally and politically questionable — goal of destabilizing the Assad government.

Venezuela

While the US first imposed sanctions on certain Venezuelan individuals in 2005 in response to claims of noncooperation with US narcotics and counterterror policies, and barred Venezuela from accessing arms and certain military technologies in 2006, the current sanctions regime began to take shape in 2015. At that time, the Obama administration declared a national emergency under the International Emergency Economic Powers Act and implemented sanctions on a number of Venezuelan officials as required under the Venezuela Defense of Human Rights and Civil Society Act, which Congress had passed the year before. Through a series of executive orders, the Trump administration dramatically expanded the Obama-era restrictions, most notably by prohibiting the Venezuelan government from borrowing in US financial markets; seizing the assets of, and sanctioning, the central bank; and blocking transactions with the state oil company, PdVSA, which historically has brought in more than 95 percent of Venezuela's foreign exchange.

The sanctions imposed between 2017 and 2019 formed the basis of the Trump administration's "maximum pressure" policy that explicitly aimed to push President Nicolás Maduro from office through political and economic coercion. Further sanctions were triggered by US recognition of opposition leader Juan Guaidó's self-proclaimed interim presidency. The nonrecognition of Venezuela's state institutions by the US and European governments resulted in the freezing of billions of dollars of Venezuelan assets abroad, and billions of dollars more of IMF Special Drawing Rights, among other consequences. While the Biden administration has rhetorically turned away from "maximum pressure" and has issued temporary general licenses that have slightly eased key sanctions, it has maintained the vast majority of Trump-era sanctions despite their overwhelming rejection by the Venezuelan people, top Venezuelan economists and civil society leaders, a wide range of Venezuelan politicians (including opposition leaders), and a number of Democrats in Congress.

While some of Venezuela's economic challenges predate the broad sanctions imposed under Trump, there is overwhelming evidence that US policy has stifled economic recovery and has exacerbated the humanitarian crisis, fueling poverty, hunger, disease, and death. Research by CEPR senior research fellow Francisco Rodríguez finds that the massive decline in Venezuela's oil exports — driven largely by US sanctions — caused the country's import capacity to collapse and, in turn, fueled the hunger crisis. Another report, by economist Jeffrey Sachs and CEPR Co-Director Mark Weisbrot, found that US sanctions contributed to the excess deaths of 40,000 Venezuelans in a single year. According to leading economists and scholars, the widespread economic harm caused by

US sanctions has helped drive an unprecedented outpouring of migration from Venezuela to the United States and across Latin America.

Zimbabwe

In 2001, the US Congress passed the Zimbabwe Democracy and Economic Recovery Act (ZDERA), making it US policy to oppose IMF, World Bank, and other multilateral development financing for Zimbabwe until a set of conditions are met, including the holding of free and fair elections, the restoration of private property rights, and a "commitment to equitable, legal, and transparent land reform." In 2003, George W. Bush declared a national emergency with respect to Zimbabwe, and imposed financial sanctions on dozens of individuals and companies. Along with individual travel restrictions, bans on the trade of certain defense-related goods, and a suspension of aid, these sanctions were nominally intended to punish those involved in "undermining democracy, human rights abuses, or public corruption," particularly under the former government of Robert Mugabe. Others have argued, however, that these sanctions were primarily punishment for Zimbabwe's postcolonial land reform program, which expropriated the farms of many white large landowners for redistribution to Black subsistence farmers. The European Union also imposed sanctions on particular individuals and entities beginning in 2002, though the majority of these were removed in 2013.

While the United States asserted that its sanctions were narrowly targeted so as to not impact the Zimbabwean people, prohibiting transactions with a number of major businesses in a low-income country with an economy heavily concentrated in a few sectors is bound to have wide-reaching, deleterious effects. UN Special Rapporteur Alena Douhan reported that "sanctions and various forms of over-compliance with sanctions have had an insidious ripple effect on the economy … and on the enjoyment of fundamental human rights." Experts have argued that US sanctions on Zimbabwe have not succeeded in achieving their stated aims. One former senior OFAC official went so far as to admit that "Zimbabwe is an example of the U.S. government using sanctions as policy, rather than a part of a larger strategy."

In March 2024, President Biden announced a major policy shift, revoking the US national emergency declaration regarding Zimbabwe and thereby ending the Zimbabwe list-based sanctions program — perhaps in recognition that the Zimbabwean government, under great duress, has moved forward with plans to pay white farmers $3.5 billion, or over 12 percent of the country's GDP, in compensation. However, at the same time, Biden announced that over a dozen Zimbabwean individuals and entities, including the president and vice president, would now be subject to sanctions under Magnitsky authorities. Most significantly for the Zimbabwean economy, ZDERA, with minor updates passed into law in 2018, remains in effect.

Other

This is only a sample of the many countries significantly affected by US sanctions. Others include Belarus, where sanctions were first imposed in 2006, and were greatly expanded in response to Belarusian support for the Russian invasion of Ukraine; and the Central African Republic, one of the poorest countries in the world. US sanctions also affect the Balkans, China, the Democratic Republic of the Congo, Ethiopia, Iraq, Lebanon, Libya, Mali, Myanmar, Nicaragua, Somalia, Sudan, South Sudan, and Yemen, among others.

11. Does the US public support the use of sanctions?

The majority of the US public is in favor of rethinking current US sanctions policy. According to a 2024 poll, most believe that the United States should lift sanctions if they violate international law, interfere with humanitarian aid, damage the economic activity or livelihoods of ordinary citizens, or hinder cooperation on climate change — descriptions that are arguably applicable to all broad, unilateral economic sanctions.

How much do you agree or disagree with the following statements? Summary of Strongly/Somewhat Agree

n=	2024
The U.S. should lift sanctions if they violate international legal principles	59%
The U.S. should lift sanctions if they interfere with humanitarian aid and global public health	61%
The U.S. should lift sanctions if they damage economic activity and livelihoods of ordinary citizens	55%
The U.S. should lift sanctions if they hinder cooperation on climate change	50%
The U.S. should continue to impose sanctions even if they are illegal under international law and can hurt access to food and medicine	40%

Source: The Harris Poll

12. Additional Resources

- The Case Against Economic Sanctions (Fact Sheet), CEPR
- The Human Consequences of Economic Sanctions, CEPR
- UN Special Rapporteur on Unilateral Coercive Measures
- The Global Sanctions Database
- Sanctions by the Numbers, Center for a New American Security
- Office of the United Nations High Commissioner on Human Rights
- The Office of Foreign Assets Control (OFAC)

For news and updates regarding US sanctions policy — and its harmful impacts on people around the world — follow CEPR's monthly Sanctions Watch news bulletin.