

International Economic Sanctions and Their Implications

A Case Study of Syria

JAFAR SAKKOUR¹ 

This paper examines the use of economic sanctions as a tool of international policy, focusing specifically on their application to Syria. The study reviews key definitions and types of economic sanctions, highlighting their role in influencing state behaviour while avoiding military intervention. Using a case study methodology, this analysis examines the sanctions imposed by the United States, the European Union, and other international actors since 2011. The paper assesses the economic and humanitarian implications of these measures, including substantial declines in national GDP, disruptions to oil production, inflation, food insecurity, and restricted access to essential medicines. The research also considers the ethical and legal debates surrounding sanctions, emphasising their disproportionate impact on civilian populations rather than political elites. The findings indicate that while sanctions aim to achieve strategic political objectives, their implementation often exacerbates humanitarian crises and undermines human rights. The paper concludes that multilateral coordination and targeted, “smart” sanctions are more effective and ethically justified than broad comprehensive measures. A balanced approach that aligns political goals with humanitarian considerations is necessary for a fair and sustainable application of economic sanctions in international relations.

Keywords: *economic sanctions, the United States, Syria, humanitarian impact, international relations, smart sanctions*

Introduction

The increasing use of sanctions by states in international policy has become a fundamental regulatory tool for the international community’s response to various global challenges. The most notable type of these sanctions is economic sanctions, which play a crucial role in international relations by serving as a means

¹ PhD student, University of Miskolc Faculty of Law, Deák Ferenc Doctoral School, e-mail: jafar.jft.5610@hotmail.com

to achieve different strategic goals. This research focuses on the key definitions of economic sanctions and examines their primary types. Additionally, it specifically addresses the case of Syria to understand the impacts of these sanctions.

Overview of economic sanctions

The concept of economic sanction

The definitions of economic sanctions vary and differ according to each party's perspective. Some define them as restrictions on trade or market access to force the targeted country to act in a manner preferred by the countries imposing the sanctions. Economic sanctions include four different types of trade restrictions:

- restrictions on the flow of goods
- restrictions on the flow of services
- restrictions on the flow of money
- market control measures to limit access opportunities²

Economic sanctions are defined as economic pressure tools to achieve the foreign policy goals of a country or group of countries, which may be preceded or accompanied by other measures such as severing diplomatic relations and may include other types of sanctions up to launching military operations against them. We conclude that sanctions can involve at least one country imposing sanctions and a country subject to sanctions. The former is referred to as the “sender” and the latter as the “target”. Restrictions imposed by non-state actors such as consumer boycotts or divestment efforts by subnational entities are not considered economic sanctions.³ It is important to note, of course, that sanctions can be imposed bilaterally or multilaterally with other countries and/or international institutions such as the North Atlantic Treaty Organization (NATO), the United Nations, and the European Union.⁴ International cooperation enhances the effectiveness of sanctions because it effectively isolates the target; approximately 30% of all sanctions between 1945 and 2005 were multilateral. Furthermore, economic sanctions also restrict economic relations between the sender and the target country, including trade, financial, and foreign aid relations.

The previous definitions show that economic sanctions are a means of economic pressure used by a country or group of countries to influence the behaviour of another country or group of countries. However, despite the presence of this characteristic in most definitions of economic sanctions, the goal of these sanctions differs depending on the view of each party. Some believe that the goal of economic sanctions is to implement

² BENGTTSSON 2002: 14.

³ KOBAYASHI 2017: 3.

⁴ METYCH [s. a.].

international law, while others believe that they are a means of subjecting a country to the policy of another country. This great disparity in determining the goal of economic sanctions is due to the view and position of each party to it.

The controversy of economic sanctions

At the 48th session of the Human Rights Council, on 16 September 2021, Michelle Bachelet, the UN High Commissioner for Human Rights, called on governments to reassess and critically re-evaluate their use of sanctions to avoid negative impacts on human rights.

In her statement to the Human Rights Council, Ms. Bachelet highlighted the severe impact that economic sanctions targeting an entire country or sector can have on the most vulnerable people in the country, who “have neither committed crimes nor are responsible for improper conduct”.⁵ In light of this, we can conclude economic sanctions have long been the subject of intense debate in international relations, with opinions often divided among policymakers, scholars, and the general public. At the heart of this debate is the question of whether sanctions are an effective and ethical tool for managing state affairs. This debate covers various aspects, including the effectiveness of sanctions, their humanitarian impact, and their role as an alternative to military intervention.

David A. Baldwin addressed this debate through several considerations, the most important of which are:

- The effectiveness of economic sanctions

One of the central arguments in favour of economic sanctions is their ability to force targeted countries to change their policies without resorting to military force. Proponents claim that sanctions can effectively pressure governments by creating economic hardship, thereby forcing them to change behaviours that the international community considers undesirable. Examples that are often cited are the sanctions imposed on the Iranian nuclear program, which led to varying degrees of political transformation.

However, critics claim that sanctions often fail to achieve their intended goals. They highlight cases in which sanctions had limited impact on government policies, such as in North Korea and Cuba, where the regimes remained resilient despite prolonged economic pressures. The author emphasises that the effectiveness of sanctions should not be evaluated in isolation from other policy options, but rather should be compared with them. Rational decision-making, as Herbert Simon noted, requires an assessment of the comparative consequences of alternative means.

- Humanitarian impact

The humanitarian consequences of economic sanctions are a major point of contention. Sanctions can cause significant suffering among civilian populations by causing shortages of basic goods, disrupting healthcare, and undermining

⁵ ABUGHRIS [s. a.].

economic stability. The negative effects on ordinary citizens can sometimes outweigh the intended political goals, raising ethical concerns about the use of sanctions as a political tool.

The author suggests that any assessment of sanctions should consider both their costs and benefits. It is essential to consider whether the humanitarian costs are justified by the political outcomes achieved.

- Sanctions as an alternative to military force
A crucial argument in favour of economic sanctions is their role as a nonviolent alternative to military intervention. Sanctions are seen as a means of exerting pressure without the devastating consequences of war. In this context, sanctions are often compared to diplomacy and propaganda, all of which serve as tools for influencing international behaviour without direct confrontation.⁶

Syria case study

Damascus has a long history with international sanctions, as the government in Syria is considered one of the first in the Middle East to be included in sanctions. The parties are also diverse, as the list of countries currently imposing sanctions on Syria consists of the United States, United Kingdom, Canada, Türkiye, the European Union, and Switzerland. In addition to the sanctions imposed by the United Nations and other countries on entities and activities dealing with Syria, they also affect Syria, indirectly.

Economic sanctions imposed on Syria

Economic sanctions imposed by the United States

The United States of America imposed more than 20 packages of sanctions from 2011 until 2020. These sanctions varied between freezing financial balances in financial banks, preventing Syrian figures from entering countries committed to implementing sanctions, preventing the export of food and non-food goods and materials to Syria, and sanctions covering the financial, energy, and oil sectors. Among the most prominent U.S. sanctions imposed on Syria during the period 2011–2019 are the following:

On 18 August 2011, the U.S. Government issued an Executive Order imposing new sanctions on Syria, which included:

- Blocking property: Assets of the Syrian government and its controlled entities are frozen.
- Export and import restrictions: The export of services from the U.S. to Syria and the import of Syrian-origin petroleum and petroleum products are prohibited.

⁶ BALDWIN 1999: 80–86.

- Investment and service prohibitions: U.S. persons are banned from investing in Syria or providing services to it, and from engaging in dealings related to Syrian petroleum.⁷
- Transaction restrictions: U.S. persons cannot finance or facilitate transactions with Syrian entities if such transactions are otherwise prohibited.⁸
- Ban on most U.S.-manufactured goods to Syria: The Syria Accountability Act directs the President to ban most U.S. exports to Syria. This includes prohibiting the re-export of U.S.-manufactured goods to Syria via third countries: for example, a Lebanese company cannot legally purchase a U.S.-manufactured generator and re-export goods manufactured abroad.
- Financial and investment restrictions: The ban on the export of U.S. services to Syria includes a ban on U.S. banks from providing financial services/access to banking services to banks and companies operating in Syria. This includes a ban on direct financial transactions between the United States and Syria, including with foreign companies and banks.⁹
- Targeted sanctions: The United States has imposed targeted sanctions on a variety of government officials, military leaders, pro-government companies and businessmen, and political leaders.¹⁰
- The Caesar Act, which was passed by the U.S. House of Representatives in January 2019 and ratified by the U.S. Congress and President Trump in December of the same year, stipulates imposing sanctions on the Central Bank of Syria for its potential money laundering¹¹ and imposing sanctions targeting foreign individuals and companies who provide financial, material and technical support to the Syrian government. It also imposed sanctions on the Syrian government and the countries that support it, such as Iran and Russia, for a period of five years in the field of energy, business, air transport, or the aircraft spare parts sector that companies supply to the Syrian Aviation Corporation or those who participate in construction and engineering projects implemented by the Syrian government or that support the energy industry in Syria or provide it with financing and cooperate with government banks,¹² including the Central Bank of Syria. It is worth noting that this law entered into force in June 2020.

⁷ NASSER–MEHCHY–ISMAIL 2013: 61–62.

⁸ UK P&I Club 2011.

⁹ The Carter Center 2020: 9–30.

¹⁰ Office of Foreign Assets Control 2024.

¹¹ United States Congress 2019: Article 101.

¹² United States Congress 2019: Article 102.

Economic sanctions imposed by the European Union

The EU suspended all bilateral cooperation with the Syrian government, including under the European Neighbourhood Policy instrument and other regional programs. In line with the EU's restrictive measures, the European Investment Bank also stopped providing loans and technical assistance to Syria. In parallel, the Council of the EU adopted Decision 2011/36 of 9 May 2011.

Council Decision 2012/36 of 18 January 2012 consolidated all the measures in a new law. On 31 May 2013, the Council of the EU adopted Decision 2013/255/CFSP on restrictive measures against Syria, including against specific sectors of the Syrian economy that finance the Syrian regime. The decision provided for restrictions on exports and imports, financing of certain enterprises, infrastructure projects, financial support for trade, finance, and transport, restrictions on admission, and the freezing of funds and economic resources.¹³

The United States and European Union governments agreed between August and September 2011 to ban imports of Syrian oil and new investments in the Syrian oil industry.¹⁴ These are perhaps the most severe sanctions ever imposed, as the European Union had been buying most of Syria's oil before the sanctions were imposed. Under pressure from the United Kingdom and France, the countries of the European Union agreed in September 2011 to ban the import of Syrian oil, but in order to meet Italy's domestic needs, the sanctions were suspended and companies were allowed to import Syrian oil until 25 November 2011.¹⁵

It is worth noting that the sanctions imposed by the European Union since 2011 are reviewed annually to include new sanctions on entities and individuals under the pretext of supporting the Syrian economy and government. These sanctions have been extended until July 2019,¹⁶ which can be classified into the following areas: a) Export and import restrictions, including a ban on the export of luxury goods and dual-use items; b) Sectoral sanctions on the Syrian oil, gas, and electricity industries; c) Restrictions on the sale/purchase of gold, precious metals, and diamonds from the Syrian government; d) Restrictions on dealing in Syrian bonds; e) Restrictions on credit institutions and financial institutions in the European Union from dealing with Syrian credit institutions and financial institutions; f) Restrictions on providing insurance or reinsurance to the Syrian government; g) Restrictions on cargo flights from Syria.

In addition to the sanctions imposed by the United States and the European Union, Canada, Australia, Switzerland, and the Arab League also impose several economic sanctions.

As we mentioned, the sanctions applied against Syria are divided into two types. The first type is individual or targeted sanctions that target specific entities and individuals

¹³ LECLERC 2023: 3.

¹⁴ NASSER-MEHCHY-ISMAIL 2013: 62.

¹⁵ U.S. Energy Information Administration 2011.

¹⁶ Dentons 2019: 12.

because of their association with the Syrian authorities and their support for them. The second type is comprehensive sanctions that completely prevent economic, commercial, investment and financial activities from Syria. We note that despite the existence of some humanitarian exceptions, the economic sanctions applied do not comply with the arrangements of the smart approach to sanctions formulated by the UN in New York in 2001, which consists of two parts: 1. improving the procedures for humanitarian exemptions in bodies by setting better standards for exemption from humanitarian impacts; and 2. radical targeting against the elites in power (and their final optional circle) that violate what is internationally desired for behaviour.¹⁷ These measures can mitigate their impact on citizens, but the sanctions against Syria have created a crisis for Syrians who have not committed any crime for which they are punished, because a large part of them (comprehensive sanctions) are applied to the population without taking into account their rights, and they have had major economic and human rights repercussions, as we will see.

Implications of sanctions

Effects of sanctions on the Syrian economy

Before 2011, Syria was a rapidly growing lower-middle-income nation with an average GDP per capita of 4.8% from 2010 to 2022. The current account was essentially balanced during this time, and inflation was comparatively low, averaging 4.98%. Syria had an estimated \$19.5 billion in foreign reserves by the end of 2010, which was enough to cover about [amount missing] in imports. However, the ongoing 14-year Syrian conflict has severely damaged the economy and GDP growth, causing the GDP to contract by 53% between 2010 and 2022, returning the economy to levels last observed in the mid-1990s. Economic activity decreased by up to 83% between 2010 and 2024, according to nighttime data, which shows an even more detrimental effect,¹⁸ prices in the country increased more than five times in safe or semi-safe governorates and 50 times in the hot areas. As regards the oil sector and prices, Syria's production of crude oil and its derivatives is less than 10% of the levels before 2010, because the main oil fields are located in areas outside government control. As oil products are subject to sanctions, Syria cannot import them, which has led to shortages in heating, transportation, and industry.

¹⁷ TOSTENSEN—BULL 2002: 380.

¹⁸ World Bank 2023: 1.

Effects of sanctions on human rights

There is an international consensus that human rights are a global human heritage and are rights recognised by everyone and may not be violated under any circumstances or considerations.¹⁹ However, according to reports that claimed that the economic sanctions imposed on Syria have led to the violation of the rights of civilians in one way or another, the most important of which is that the economic sanctions control all imports and exports of Syria without any exception for food or medical supplies. These sanctions have had a negative impact on the health sector in Syria and are disrupting the provision of basic social services and humanitarian aid. In addition, the wheat crop production, which is vital to Syrian food security, has decreased in 2019 from 3.1 million tons to less than 1.7 million tons in 2022. This led to food insecurity.²⁰

14.6% of the Syrian population suffers from chronic and rare diseases, and an estimated 24% live with disabilities. The withdrawal of foreign pharmaceutical manufacturers from Syria, as well as the excessive commitment of companies or the risk-averse policies of banks, have made it impossible to import the raw materials and laboratory reagents needed for local pharmaceutical production, creating challenges and obstacles to the procurement and delivery of life-saving medicines.²¹

Conclusion

The United Nations Charter requires observance of the principles and rules of international law, including the principles of sovereign equality, political independence, non-interference in the internal affairs of states, and the peaceful settlement of international disputes. Therefore, unilateral measures, especially those imposed without the approval of the Security Council, should not be the only measures to force states to implement international law, especially in the context of the increasing humanitarian needs in countries suffering from conflicts and wars such as Syria. It is also easy to circumvent economic sanctions, so the international community can adopt a more precise and effective approach to sanctions that balances political goals and humanitarian needs. This will pave the way for more informed and compassionate political decisions, which will ultimately lead to a more just and equitable international landscape.

¹⁹ United Nations 1948: Article 1.

²⁰ United Nations Economic and Social Commission for Western Asia 2024.

²¹ Human Rights Council 2023.

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