



## **Tom Lantos Human Rights Commission**

### **Considerations on Sanctions**

**Tuesday, October 4, 2022**

**11:00 a.m. – 1:00 p.m.**

**Virtual via Cisco WebEx**

#### **As prepared for delivery**

Good morning and thank you for joining us today as we consider the collateral effects of economic sanctions, a tool that is increasingly being used by the United States government to further foreign policy and national security objectives.

Economic sanctions are coercive economic measures. Examples include trade embargoes; restrictions on exports or imports; denial of foreign assistance, loans, and investments; blocking of foreign assets under United States jurisdiction; and prohibitions on economic transactions that involve U.S. citizens or businesses.

Congress often mandates economic sanctions, and both Democratic and Republican administrations have used them against foreign actors to try to deter a wide range of behaviors, including human rights violations, the undermining of democracy, corruption and terrorism.

Some sanctions are multilateral, including those imposed by the United Nations Security Council. But many, if not most, are unilateral. As of October 2021, when the Department of Treasury completed its [Sanctions Review](#), the U.S. government had sanctions in force on more than 9,400 individuals and entities, in relation to more than 20 countries.

As the use of sanctions has increased, so have the reports of their collateral damage. Highly credible human rights and humanitarian organizations and the U.N. itself have warned about the negative consequences of far-reaching sanctions in countries like Venezuela, Syria, Afghanistan and Iran – even as the objectives behind the sanctions have failed to be achieved.

I introduced the original Magnitsky sanctions bill in the House in 2010 and have long been a strong supporter of imposing targeted sanctions on specific individuals when there is

credible information of their direct responsibility for serious human rights abuses or major corruption.

For just as long, I have strongly opposed comprehensive sanctions that impose broad restrictions on trade and economic activity with a country because their effects are felt mostly by the civilian population. I believe the record shows that these end up being a form of collective punishment that fails to achieve anything except pushing people into ever deepening misery and fueling anti-American sentiment. These kinds of sanctions often feel to me like they are driven more by vengeance than strategy.

But increasingly we are receiving reports that even targeted sanctions can have very serious negative collateral effects. Targeted sanctions on a central bank, for example, or on an oil company that generates most of a country's export earnings, can have consequences that are almost as devastating as an indiscriminate trade embargo.

The purpose of today's hearing is to review what is known about how to design and implement sanctions in order to make sure they are as effective as possible and to avoid the worst collateral effects.

As we will hear from our witnesses, those collateral effects take many forms.

Sanctions can exacerbate a humanitarian crisis, as we're seeing in Afghanistan, even when mitigating steps are taken. They can end up strengthening illicit economies and benefitting criminal organizations, as in Venezuela.

Counterterrorism sanctions can directly undermine fundamental human rights and impede diplomacy and peacebuilding.

The costs of compliance with sanctions, and the legal risks, can lead private sector and civil society actors to stop working in a country altogether, even though their services are desperately needed.

Sanctions can accelerate cooperation among U.S. adversaries. And there is growing concern that they may eventually undermine the use of the dollar as a reserve currency.

It is important to get sanctions right if we want to preserve them as an effective, legitimate foreign policy tool.

It is even more important to get them right if we want to live up to our ethical values and human rights commitments.

We have with us today a distinguished panel of witnesses who have been engaged on these questions for a long time as researchers and practitioners. The fact is, a lot of excellent comparative research on sanctions has been conducted in recent years, and our witnesses today have been part of these efforts. They have generously agreed to join us to share their findings and

recommendations, and I very much look forward to the conversation, because when it comes to sanctions, we must do better.

Before introducing the panel, I yield to Co-Chair Smith for his opening remarks.