

The Refrigerator and the Television

Sanctions as War by Other Means

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Cover image: Abandoned television set at Soviet Krampnitz Army Base in what was East Germany / James C Farmer (Flickr)

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Introduction

Sanctions regimes aim to change elite behaviour by raising the costs and stakes of their choices, both directly in terms of diminishing their personal comfort including travel and access to finance, and indirectly by increasing popular pressure against their rule through economic hardship.

This highlights one of several problems with sanctions. These elites are usually uninterested in popular welfare, explaining their attitude towards democracy and its wider benefits. They are more concerned about maintaining themselves in power and funding their lifestyle whatever the cost to their people.

But there are ways and means, direct and indirect, to raise the costs of such choices. Some of these new means have been developed following Russia's invasion of Ukraine.

The Kyiv Scientific Research Institute of Forensic Expertise investigates the engineering make-up and components of the bombs, drones and missiles used against Ukraine. They compile dossiers of information on the source of silicon chips and other hardware, in which many blue-chip companies, including some of Western origin, are listed. The Institute's researchers, including former military engineers, have identified an astounding array of parts from across the globe, despite sanctions on Russia's technology imports.

A Ukrainian government website displays a database of 3,000 components from nearly 400 foreign manufacturers in 32 countries found in weapons used by Russia in the war against Ukraine.¹ As the saying goes, business seldom found a government it did not like.

The courtyard of the Kyiv Institute is stacked with dozens of missiles, shells and drones, mostly Russian, others North Korean and Iranian in origin. In metal-walled portacabins surrounding the area, experts pore over wreckage, with written and pictorial guides on the walls assisting them in their detective work. Helicopter drones use Austrian-made engines; Iranian Shahed loitering munitions use Tillotson carburettors engraved with 'Made in Ireland'; the Russian *Kartograf* reconnaissance drone yields Japanese camera lenses.

This forensic world is changing. The capabilities do not end with identifying the type of hardware, but also their site of its production. It may even be possible to determine on which day, by whom and on which production line these weapons were built. Should they have been involved in the unlawful killing of civilians, or the destruction of civilian infrastructure, this information could form part of a future case against the manufacturers and their personnel.

As the world changes, so does the means whereby war is fought and countered. As Clausewitz would have it, war is but one tool of state political power; economic means, culture, information, and even sports all contribute. In a drawn-out conventional war involving huge amounts of materiel, access to finance and high-tech componentry is crucial, as are the means of countering this.

Economic sanctions are a tool of coercion on the softer end of a spectrum that starts with diplomatic isolation and voluntary boycotts and ends with physical blockades. It can even include softer measures such as a more careful calibration of aid. While many – usually those against whom they are applied – are quick to claim that sanctions don't work, history suggests that, at least in some instances, with the right amount of political will, they can. But an over-reliance on sanctions is likely to deliver little, save a measure of self-satisfaction, and a focus on this alone only obscures other non-violent possibilities for encouraging and, in fact, facilitating regime behaviour change.

How Sanctions Work – and Don't Work

During the height of sanctions on South Africa in the late 1980s, following the imposition of a raft of multilateral and bilateral measures, including the 1977 UN arms embargo and the 1985 US Comprehensive Anti-Apartheid Act, South African entrepreneurs quickly developed methods to circumvent even the tightest of measures.

Despite its isolation from global arms markets, where sanctions were the harshest, South Africa developed seven deliverable nuclear weapons by obtaining technology through the back door. While an embargo on the machine-tools used in the precision manufacture of such weaponry was supposed to forestall their construction, for example, the use and adaptation of commercially available tools circumvented this measure.²

Circumvention took place through top-secret state-to-state deals, such as the arms collaboration with Israel, or via companies such as the British subsidiaries that remained in South Africa, while other circumventions verged on the ridiculous. Between Lugano in Switzerland, a country whose secrecy laws made it more permissive than most towards the apartheid regime, and Menaggio in Italy, for example, there were no formal border controls on the road. This became one preferred route for South Africans seeking to enter Italy without a visa. Such 'organic' adaptation was the immediate tactical response of white South Africans to the threat to security and livelihoods.

The efficacy of sanctions has been weakened by the inconsistent, incoherent and resultant half-hearted application, and the relative ease with which they can be circumvented. They tend to pander more to domestic constituencies in the sanctioning state, and their efficacy depends to an extent on both action bias – a tendency to favour action over inaction, even if there's no evidence that it will lead to a better outcome - and confirmation bias – a tendency to seek information or options consistent with their existing beliefs and preferences.

Still, sanctions remain attractive precisely because they offer governments a means to punish military aggression or human rights abusers short of going to war. Since 2000, the number of individuals and entities on America's sanctions list has increased over tenfold to 10,000. The US Government's Office of Foreign Assets Control (OFAC) has imposed comprehensive sanctions prohibiting financial or commercial relations under US law on six countries and three regions. Some 19 countries, including Belarus, Afghanistan, Libya, Sudan and Zimbabwe, have one or other type of sanctions imposed on them. As sanctions have improved in accuracy, might and range, so too have the means whereby they are circumvented.³

War-fighting capability traditionally reflects economic strength at the state level, represented by industrial and logistical capacity, sound trading and investment treaties and partners, and optimum rates of productivity and growth. It follows that a key tool is the ability and willingness to isolate and constrain state opponents using economic means. Both the ability to support a war and to isolate opposition to it have been key components of Russia's war in Ukraine. But restrictions on economic trade and investment do not solely target an adversary's national interests, or the interests of its leaders. They also impinge on personal private property and the well-being of ordinary citizens. This makes broad-based economic sanctions a controversial, and often somewhat ineffective, tool of war.

This is not a new controversy. Think of Spanish and Swedish trade in critical commodities with Nazi Germany, for instance. Sanctions against apartheid South Africa offer another example, though ultimately it was a combination of public (arms, sporting, travel) and private (especially financial) sanctions that helped persuade the white government of the costs of isolation and the benefits of change. Roelf Meyer, a South African cabinet minister who led

the negotiations for the (white) government in 1994, is clear that attempts to make the country ungovernable did not drive political change. 'More than anything, international pressure brought about the change, in particular the US Comprehensive Anti-Apartheid Act.'⁴ Sanctions on Libya helped persuade Muammar Gaddafi to end his programme of Weapons of Mass Destruction and stop funding terrorism, though his grisly demise in October 2011 would have given others a view of his wisdom in so doing.

Sanctions are also a long haul, and not themselves decisive, in part because the efficacy of implementation is subject to commercial opportunity. While sanctions against Cuba, Iran, Iraq and North Korea may have constrained these regimes, their elites have successfully buttressed themselves against regime change, albeit at a cost to their citizens. Even though this may confirm elite indifference and thus the reasons for sanctions in the first instance, widespread suffering can make things worse before they get better, eroding support for sanctions in countries where they are applied as well as in those imposing or promoting them. These factors, along with laws criminalising support for sanctions (as in Zimbabwe and Venezuela), can have the effect of muting domestic voices calling for their application and reinforcing regime type. They also, as intimated above, reinforce a particular type of action (over inaction) and a certain policy option, when other, more effective alternatives may exist and yet be ignored because of the moral domestic appeal of punishment through sanctions.

With a Little Help from Our Friends

The circumvention of sanctions is made easier by a lack of diplomatic support for the cause behind their imposition, reflecting self-interest.

Russia's war in Ukraine is a case in point. Governments representing about 60% of the world's population, including India, China, South Africa and much of the Middle East, did not at the outset of the conflict accept the Ukrainian or Western narrative of the war in 2022 for various reasons. These included self-interest and perceptions of a Western double standard. Such perceptions, legitimate or not, were actively seeded and promoted by Russia on social media, to reinforce the idea of NATO as the aggressor and Russia as the victim.

In response to Russia's 2014 and 2022 invasions of Ukraine, the West has imposed an unprecedented raft of economic measures against Moscow.⁵ The European Union has, by mid-2024, adopted 14 packages of sanctions, targeting over 2,200 individuals and entities,⁶ and covering a wide array of sectors, goods and services. In turn, the United States has imposed over 14,000 sanctions, more than those on Iran, Cuba and North Korea combined,⁷ targeting 10,173 individuals, 4,089 entities, 177 vessels and 100 aircraft. In total, Russia has been subjected to more than 14,000 sanctions. Such measures had the intent of weakening Moscow's ability to wage war by depressing its income and limiting access to critical technologies for its war machine. Yet even though this regime has undoubtedly made it more difficult for the Russians, and the full extent of the impacts are not known, despite a decade of conflict and the 'most extensive sanctions regime in history', little appears to have changed.⁸

The idea was, at the outset, that Western sanctions would slowly but inexorably bite, making the conflict a 'struggle between the refrigerator and the television', commented one Ukrainian colonel at the start of the 2022 phase of the war. Rhetoric may make a full heart, he said, but seldom fills the stomach.

There have been some tangible results.⁹ According to a study published by the joint US–Ukrainian International Working Group on Russian Sanctions,¹⁰ sanctions have shrunk Russia's surplus of the current balance of payments, estimated to be 60% down in 2022/3. The rouble also depreciated, driving up inflation and, in the process, creating social effects worsened by the diversion of funding to the war from Russia's National Welfare Fund. Receipts from oil and gas trade – responsible for nearly half (some \$230 billion¹¹) of export income in 2021 – reportedly fell by around 50% in 2023 as the loss of 'stable and solvent markets, the technology gap, and the multiplier effect [affecting] the supply chain (tanker transportation, port services, pipeline transport)' all began to bite.¹²

But for every indication of the success of sanctions, there appears a contra-indication.

Despite the range of sanctions, Russia's economy has repeatedly defied the predictions of its imminent doom, including of financial collapse, recession, runaway inflation and a shortage of skills and technology. As the *Economist* noted in August 2024, 'Despite sanctions and pariah status, Russia's economy is growing strongly. It turns out that bacchanalian spending, at a time of war, really gets things going.¹³ If anything, busting sanctions has also 'juiced the economy' with formerly Western-owned businesses picked up cheaply by Russian. Supply chains have also been set up with friendly countries (for which read China, Iran, India and North Korea among others), initially to diversify Russian oil exports and ensure technology flows for high-tech arms inputs, but increasingly for other, consumer goods. Thirty months after the invasion, *The Economist* reports that half of goods imports come from China, twice

the share from before the invasion. Russia's GDP is expected to grow by more than three percent in 2024, its fastest growth spurt since the 2010s.

Among the strategies Russia has reportedly deployed with success is the use of third-party trading firms out of Dubai which distribute its petroleum products in West Africa. Russian oil is dumped at below market prices in countries such as Burkina Faso and Mali where it has helped keep malignant military rulers in power as well as states keen to benefit from cut price oil such as Ghana, Ivory Coast and Benin.

In another move which illustrates how Russia counters the stranglehold on dollars, Russia bought US\$29 million in cash from Rwanda in January according to the investigative unit Verstka.¹⁴

'The shipment included \$100 banknotes. According to the customs declaration, their total weight was 292.1 kg. The cash was purchased from the Rwandan Ministry of Defense. The buyer on the Russian side was Rosoboronexport, the only state intermediary for the trade in military products,' said the Verstka report. Rwanda is a large recipient of Western donor funds, averaging around \$1.3 billion annually, or 30% of government expenditure.¹⁵ This amount excludes private donations, estimated to be some 15% (at least) of Official Development Assistance, or \$200 million annually.¹⁶

Given the closed accounting and secrecy of Putin's state, it may be difficult to determine the real, longer-term effects of the sanctions regime. Certainly it is likely to have made military production and rearmament more costly and complicated, given the supply of componentry at a premium especially from North Korea, China and Iran.

Officially, Russia has increased military spending from 2.7% of GDP in 2022 to 3.9% in 2023 to 6% in 2024, or just under one-third of its government budget. By the start of 2024, however, it was estimated that Russian defence expenditure may account for as much as 40% of its budget because of the war in Ukraine, more than its combined spending on health and education.¹⁷ By comparison, the US spent 11%, while the NATO average was 4.3%.

The pressures imposed by this and by external sanctions, however, have not been intense enough, certainly from a Ukrainian perspective, and were not imposed quickly or harshly enough to ensure that the refrigerator trumped the television. Russia has been adept at both accelerating its own military production, after a slow start, perhaps in anticipation of a rapid victory, and acquiring materiel from its allies. By activating its own axis, Moscow has obtained at least three million rounds of heavy artillery from North Korea since August 2023 (and perhaps as many as 6 million),¹⁸ and 300,000 from Iran in 2023. Russia itself is producing about 250,000 artillery shells per month, or 3 million annually. The US and Europe together have a capacity to produce about 1.2 million shells annually, while the US has set itself a goal to produce 100,000 rounds of artillery a month by the end of 2025.¹⁹ Russia is reported to be running artillery factories 24/7 on rotating 12-hour shifts, with an estimated 3.5 million Russians now work in the sector, up from around 2-2.5 million before the war.²⁰ Moreover, critical Western goods and components continue to find their way to Russia's war machine.

Sanctions are intrinsically limited, because they seldom target foreign actors. Instead, they target domestic actors, such as US firms or those operating under US jurisdiction. Even so, the 'workarounds' are usually one step ahead of sanctions regimes. As one illustration, the largest source of supply of high-priority battlefield items necessary for Russian weapon systems is reportedly the American firm Intel.

According to the sanctions team at the Kyiv School of Economics, the US semiconductor giant is followed by Huawei of China, and then a raft of other US companies. By the end of 2023, according to the Kyiv School, Russian imports of microelectronics, wireless and satellite navigation systems, and other critical parts had recovered to near pre-war levels, averaging

\$900 million monthly during the first nine months of 2023. Supply chains, disrupted by sanctions imposed in 2022, had been quickly reconfigured with the help of China, Hong Kong and countries in Russia's backyard like Kazakhstan, Armenia, (NATO member) Turkey, Kyrgyzstan, Uzbekistan, Georgia and Serbia.²¹ One challenge is that not all these components are sanctioned. Dual-use certification, including that for space exploitation, is another legal loophole allowing the export of sensitive technology.²² Sanctions have also helped strengthen strategic ties between Russia and countries such as China, Iran and North Korea, all of whom increasingly see a common adversary in the West. This was not new – Russia had already, before 2002, become the largest beneficiary of Chinese overseas lending and assistance, receiving over \$151 billion during this time – but it accelerated significantly as a result of sanctions.

But it is too easy to focus on the 'axis' countries as the sole perpetrators in sanctions busting. Some businesses will find a way given the rewards on offer and despite the moral and legal hazard.

Taiwan's foreign minister Joseph Wu has said that a Russian victory in Ukraine 'would be seen as a victory of authoritarian states because Russia, China, North Korea and Iran are now linked together.'²³ Certainly Taiwan has long-standing ties with the United States and the countries of Western Europe, and does not have historically warm relations with Russia, reflected in relatively low (and falling) bilateral export value, at under \$850 million. Despite its publicly pro-Ukraine position, and its generous financial support for Ukraine, Taiwanese firms have been cited in the supply of machine-tools and chemicals to Russia, many of these reportedly via third parties such as Turkey, now the largest market for Taiwanese machine-centres.²⁴ This has continued despite such items being placed under export controls by Taiwan's Ministry of Economic Affairs at the start of 2023. Russia also continues to import from Taiwan silicon wafer plates, of the sort that find their way ultimately into missiles. Taiwan-manufactured nitrocellulose products has also been used in the production of ammunition propellant. Russian purchase of Taiwanese nitrocellulose has increased by 94% over the past five years.

On the other side of the ledger, Taiwan is the world's fifth largest importer of Russian coal. When the state power company Taipower discontinued purchases of Russian coal in September 2022, private Taiwanese firms moved into the market, with Taiwan's import of Russian coal rising by nearly one-third in volume in the 12 months from June 2023. Taiwan is also a substantial importer of Russian gas, aluminium, copper and iron.²⁵

And there are legacy strategic drivers, especially with EU states. The West continues to rely on Russian oil and gas. The EU's dependence on Russian energy products is significant, constituting €110 billion or 74% of the EU's total energy imports in 2021, and 40% of Germany's energy requirements.²⁶ In 2022, while German imports fell to just 13% of its needs, other EU member states, including Austria, Bulgaria, Croatia, Greece, Hungary, Luxembourg and Slovenia, increased imports from Russia.

Fungible commodities, including oil and gas, are very difficult to track. There are other, strategic limitations to this regime, exemplified by the fact that Ukraine was still, in the third year of the war, transporting Russian gas over its territory to Europe, although this had fallen sixfold from its 2008 peak of 120 billion cubic metres.²⁷ And there were ways around the price cap on Russian oil: while prices were officially capped at \$60 per barrel, contributing to falling Russian income, higher prices could be charged with the addition of 'legitimate' logistical and other costs.

The market also quickly finds a new equilibrium, factoring in the upset to pricing. A rise in interest rates has driven up the value of the rouble. Sanctions also don't work when there is a lack of ties. The United States is, for instance, not a significant trade partner with Russia.²⁸

One Solutions: Tighten the Screws

In response to these weaknesses, two big changes have occurred to sanctions regimes in this century: the willingness to go after select individuals and to sanction the financial systems that prop up rulers.

Named after tax lawyer Sergei Magnitsky, allegedly murdered in a Moscow prison in 2009 for exposing corruption by Russian officials, the US government's Global Magnitsky Act is a far-reaching, targeted, human rights and anti-corruption sanctions programme aimed at government officials as well as private citizens. The 2012 Act authorises the US government to sanction foreign government officials worldwide who are human rights offenders, freeze their assets, and ban them from entering the United States. In the first ten years of its history, Magnitsky cited 450 individuals.²⁹ The great strength of the programme is viewed as its deliberate attempt to cut off corrupt and tainted individuals from the global financial system.³⁰

Additionally, while targeted sanctions against Russia started feebly in 2022 (there were exemptions for luxury goods, for instance, in the EU sanctions package, to placate Italy), they soon extended to the Russian banking system, despite fears of the impact on Western banks, preventing Russia's use of the SWIFT international payment system. By cutting off seven Russian banks from the system, the West significantly raised the cost of banking, despite resistance from European banks. In addition to the weaponisation of the dollar in this manner, the freezing of Russia's currency reserves was an unprecedented use of extraterritorial jurisdiction.³¹ The call to seize the more than \$300 billion held by Western banks and employ it for Ukraine's relief was similarly met with alarm by commercial banks. As Bill Winters, the head of Standard Chartered bank said in response to this suggestion, the financial community's response to seizing the profits of Russian frozen assets would be 'mixed' amid fears of 'weaponising' central banks and currencies.³²

Such fears of a politicised and weaponised US dollar are partly responsible for the dollar's share among global reserves falling from 70% to just under 60% this century, as countries seek to sanctions-proof their reserves. Coupled with trade friction with China, the weaponisation of the US's control of the international financial system will most likely change the conduct of non-Western powers and lead to rival architectures, which may gain significant support. This explains why Beijing has developed its own international payment platform – the Cross-Border Interbank Payment System (CIPS). This is independent of SWIFT and is accepted in Russia and by banks in Brazil and elsewhere. But changes to this system may take a long time, given the dollar's continued primacy as a reserve currency.³³

Sanctions are always a kind of double-edged sword. In order to be effective and prevent bypassing they have to be comprehensive and include as many countries as possible. Yet this is difficult to achieve when there are different depths of dependence on Russia in the economic and trade spheres, a limited willingness to suffer too much, strong vested interests, 'sacred cow' sectors like nuclear fuel or plants, and the availability of strategic spoilers who have benefitted most from the Western sanctions on Russia along with tactical spoilers who didn't join sanctions and were instrumental in re-export. This is compounded by the existence of many loopholes and insufficient enforcement of secondary sanctions.

All this has granted Russia a long time to adjust and make alternative arrangements.

One feature of the current sanctions regime is the voluntary participation of private companies, amounting to a sort of commercial and private 'cancellation' of Russia. Over a thousand Western companies voluntarily ended their operations in Russia in the two years

after the start of the war, but many remained, even among those who had publicly committed to divesting.³⁴ While McDonald's, Starbucks and Burger King, for example, all signalled their withdrawal from Russia after 22 February, Burger King remained more than eighteen months later despite the pledge, citing a complicated franchise agreement as the reason for its delay.³⁵

The more stamina is required, the less inclined Western populations have become, it seems, to pay a premium for sanctions. At the start, as one trucker moving medical supplies into Lviv put it, everyone in Europe 'needs to understand there is a price to be paid to enjoy democracy'. But asking business – and consumers – to pay more for basic needs is difficult at a time of widespread inflation and the post-pandemic rise in the cost of living. This is exacerbated by the disparate impact of sanctions, which can inflict asymmetrical burdens on citizens rather than elites,³⁶ reduce prospects for democratisation,³⁷ and, in the most serious cases, heighten humanitarian crises.

In the face of the economic united front from the West, Russia has fought back using parallel markets, dual-use technology, and third-country conduits. But there are limits. There is a premium, as South Africa learnt under apartheid, to buying smuggled technology. Suppliers are expensive and wary about losing access to richer markets. And technology can't make up for the loss of skilled workers from the 'brain drain' that usually accompanies sanctions. The longer war drags on and sanctions remain in place, the tougher things will get, not least because war is an expensive business.

Another Solution: Incentivise by Calibrating Rewards

There is often a cognitive dissonance between those inflicting sanctions and those against whom they are applied. Those who advocate and apply sanctions tend to assume their targets will apply the same logic, changing behaviour after cost–benefit analysis. However, the targets of a sanctions regime often have an overriding interest in achieving the goals that led to sanctions in the first place and will not be deterred even if the costs turn out to be great. They operate according to a different incentive structure, and leaders are personally well insulated against (sometimes even profiting from) such measures.

Such measures can risk becoming part of a ‘process fetish’ whereby the process itself, and changes and additions to the sanctions regime, become their own justification. As such they usually lack strategic coherence and thus relevance as the target moves adroitly around the measures, assisted by those who seek to profit in the circumstances. Sanctions thus demand exceptionally long perspectives, especially when applied against big countries or the interests of powerful business lobbies, from the City of London to German traders and European beneficiaries of Russian gas. Even so, stamina is not the only determinant of their success, as the six decades of US sanctions against Cuba suggests – without a change in the Havana regime or even its behaviour.

Sanctions have to be placed, however, within a spectrum of conditionality, a series of measures that gradually signal disapproval at one end, to more stringent sanctions and bans at the other.

One reason for the relatively poor development performance of donor aid to Africa since independence is because African elites are willing to take the money and never carry out their part of the bargain in terms of reforms. In part this is because they routinely have not felt the groundswell of popular discontent at the polls, and aid can in fact buffer these political pressures by removing or distorting the link of accountability between populations and their governments.

To a degree, this reflects both the apathy of populations and the extent to which they can be bought off or divided by rulers, and how African leaders have figured out how to manage democracy (read elections) without losing power, and without risk of censure domestically, or worse, from outside. An African version of the ‘Beijing Consensus’ (or ‘Putin Consensus’) has emerged, offering elites relatively untrammelled access to economic spoils without the threat of political change. Unlike East Asians, Africans have not organised themselves enough to demand rapid growth sufficient to enable societies to go from rural to urban and peasant to middle class in a generation.

Conditionality on aid, leveraging economic assistance with governance conditions, has also been successfully repelled by African leadership as an unwarranted intrusion in the domestic affairs of aid recipients, in the process successfully linking governance reforms to the colonial history, ensuring the West is as much a prisoner of its past as African populations.

Despite its considerable aid effort, no matter the administrations in power in Washington or across Europe, the West has consistently found itself on the back foot in its relations with Africa, both on the continent and in building partnerships in multinational organisations such as the United Nations, losing ground to its strategic rivals in the process. Moreover, the slow improvement of African governance and democracy also suggests that such aid programmes are wrongly premised and executed.

Yet, democratic standards, practices and values could overall be better employed as an advantage and tool for donors. However, to achieve this, there is a need for a long-term strategic focus, a clearer division between the longer-term strategic imperative of democracy and governance, and shorter-term tactical security and commercial impulses.

Unlike the record in East Asia, the clear empirical correlation between standards of democracy and growth performance in Africa suggests that getting the (democratic) politics right makes good development sense. Any foreign engagement that ignores the moral economy and puts profit before people and financial reward before human rights is designed to fail, at least in terms of building a relationship between the recipient governments and their populations.

Sanctions are routinely suggested as a means to discourage human rights transgression, increasingly this century, in the form of a targeted 'smart' variety against individual perpetrators. The problem with this approach is, however, that sanctions are themselves often seen as the goal rather than a tool, and do little to encourage better standards of governance as opposed to penalising the worst. Moreover, as the example of East Asia's development success illustrates, the challenge is overall to create regional exemplars of prosperity that other states can emulate and feed off in a positive cycle of development. East Asia's development revolution started with Japan and progressed quickly to the Tigers of Singapore, Taiwan, South Korea, and Hong Kong, followed later by Thailand, Malaysia, Vietnam and others. Africa has few such continental exemplars, save perhaps Ghana, Botswana, Namibia and, more controversially, Rwanda. Ostensibly rewarding failure from outside rather than reinforcing conditions of success – the difference between Somalia and Somaliland, for example – is an extreme version of this donor habit.

There are advantages to incentivising better performance by African partners. For example, categories of donor assistance could be more explicitly linked to governance and democratic performance, while at the same time ensuring those at the 'poorer' end of the scale do not fall off completely.

Put differently, there is need to inculcate an environment where the responsiveness of government to demand-side factors from the population, rather than a supply-side agenda distributed by political parties, will increasingly shape the fortunes of political parties and the success or failure of their interventions. With social media and digital communications, power has shifted to the individual at the expense of traditional political party-based infrastructure. From a donor perspective, this requires investing in the democratic process per se, including civil society, rather than solely political parties. Working smarter to change regimes is a constant theme even further along this spectrum of international action.

A Third Option: Work Smarter for Regime Behaviour Change

Several notable individuals have called for the distribution of frozen Russian funds, including Bill Browder, long a foe of President Vladimir Putin. But, as is highlighted above, there are grave concerns with this approach, some driven by a concern for profits, others by the impact on the global financial system, and some by both. This suggests a need for fresh tactical thinking on how to employ frozen Russian funds. Given Ukrainian needs, international authorities could be requested to use seized Russian assets as collateral for a new Ukrainian bonds' issuance. The interest on seized assets could be used as of now to reinforce the message on collateral and, at the same time, bring the interest bill down for Ukraine, particularly to pay for the ongoing penalties on IMF loans.

The funding would be useful. The danger of making a fanfare about sanctions, is that there is an opportunity to cast the sanctioning party as the bad guys in a sort of perverse moral equivalence, worsened by inevitable leakage of the very items supposedly sanctioned, as the findings of the Kyiv Scientific Research Institute of Forensic Expertise remind.

There is another approach, less founded in the moralism which accompanies sanctions than on engaging with the problem in a manner aligned with more careful calibration of the benefits of external engagement regimes.

For example, in North Africa and the Sahel, for those seeking to undo Russian-led destabilisation, given that the most effective enemies of the Russians are likely to be Islamists, any assistance or intelligence that Western states (including Ukraine) give them is best kept under cover. There may be some more useful long-term outcomes, not least through rebuilding connections and mending relationships in the region that have been badly strained by Western over-engagement.

These new forms of assistance should involve far more than kinetic action or even military equipment and training. Given that Russia-aligned regional regimes are by definition undemocratic and thus highly factional, unstable and vulnerable, these cracks can be widened by limiting their income streams, supporting internal opposition forces through financing along with media and civil society, and helping regional states to limit their influence, not least through intelligence sharing, capacity-building and by way of covert operations.

The same menu of choices exist in Russia itself, including the following measures:³⁸

- Providing information on the financial transactions of leaders direct to the public;
- The training of journalists, accountants, engineers;
- Support to civil society organizations;
- Support for opposition politicians and academics, in the latter instance by commissioning work to ensure a basic income free from state controls;
- Fostering networks of opposition politicians through meetings such as has been managed through the Platform for African Democrats,³⁹ Casa Africa in the Canary Islands, or the World Liberty Congress;
- Publishing online resources in local languages, on how to mount a political campaign and win an election;
- Training and equipping of cyber-activists;

- Supporting local investigative journalism.

The means to undermine Russia's war machine – and constrain those allies which, wittingly or otherwise, support it – goes beyond attempts to impose embargoes and sanctions. Unless such measures are applied with consummate regulatory precision, they can provide a fig-leaf of respectability to a failing policy, and will always be mitigated by the role of business in seeking profit, or by fears over compromising the integrity of the global financial system. Rather, sanctions should be seen as part of a continuum of state action, at the one end of which is a more careful calibration of benefits to undo authoritarianism and, at the other, a stricter application of measures, specifically targeting individuals, a capacity which exists today in unprecedented forensic detail.

Conclusion: Strengthen Forensics

War usually visits poor places, making them even poorer. The cost of turning a blind eye to Russia's wanton destruction of communities across Ukraine lies not only in the costs to property. It's that it puts the interests of the state above – and seemingly beyond – those of the individual, the opposite of the very premise of the human rights regime that followed the Second World War where, in the esteemed Nuremberg jurist Hersch Lauterpacht's words, 'The well-being of an individual is the ultimate object of all law.'⁴⁰

Lauterpacht was born close to Habsburg Lemberg, now Lviv in modern day Ukraine. Other Ukrainians have taken up the same struggle, not least Nobel laureate Oleksandra Matviichuk, whose Center for Civil Liberties has documented more than 78,000 war crimes so far. Digital technologies offer huge advances in tracking perpetrators, from soldiers to commanders and even the chips and production lines responsible for the missiles and drones raining down on Ukrainian cities.

The Achilles heel of sanctions remains their (lack of) implementation, driven by political differences or financial advantage, and enabled by a lack of consequences. Efficient implementation of sanctions could and should be strengthened through both legislative and non-legislative means on national levels. There is a need to increase the analytical capacity of institutions to ensure that they are properly staffed. The variance in sanctions monitoring capacity ranges across Europe in departments from five to 150 for instance. Similarly, limiting money laundering via flow-through (transit) accounts is important to cut corrupt practices. One means to enable this is to implement without further delay the EU Confiscation Directive by all EU member states and to incorporate it to the national legal framework of all member-states.⁴¹ Also on a legislative level, more countries should amend their respective criminal codes to introduce or strengthen the punishment for violations of international sanctions.

But sanctions should not be a pretext for presenting the options as ratcheting isolation and nothing else or more. On a spectrum of coercion, there has to be a carrot with the stick.

For example, the binary choice of sanctions should not obscure the much more difficult and complex business of engaging with opposition forces, parliamentary and non-governmental, including business, to build constituencies for change. That is probably the lesson from apartheid South Africa, which is most often overlooked, despite the power and impact of this role, because it was not a dramatic action from outside that brought change, but rather support of those fighting for change from outside. South Africa did not change because it was cut off. It changed because the regime did not want to be cut off and those that remained connected had gained all the advantages and strengths of so doing.

Sanctions remain critical in reducing government capacity in part by increasing cost and complexity for regime survival and ensuring that elites in particular are not immune to the implications of their actions. Changing elite behaviour depends on increasing the pressure pushing parties off the battlefield and to the negotiating table. Sanctions can help to tip the balance, not least in changing perceptions of elite impunity.

Whatever the workarounds developed by the apartheid regime in South Africa and the businesses operating there, ultimately the military, economic and social costs outweighed the benefits, and the regime changed. But this demanded a coherent approach, including a wide range of sanctions with (almost) global support as well as various carrots, not least the prospect of global inclusion. At its core, it required a rational regime, which was prepared to concede political power if the costs of hanging on outweighed the benefits of letting go. Contrary, then, to the enthusiasm for sanctions as a measure short of war, they do not

promise instant change, nor are they effective without a comprehensive approach. They can, if so devised, help to change the direction of travel.⁴²

Endnotes

- ¹ War & Sanctions at <https://sanctions.nazk.gov.ua/en/>.
- ² Discussion with Ambassador Tom Wheeler, SA Institute of International Affairs, 2004. Wheeler was the Chief Director: Disarmament.
- ³ See *The Economist* at <https://www.economist.com/briefing/2022/03/05/western-sanctions-on-russia-are-like-none-the-world-has-seen>.
- ⁴ Discussion with Dr Mills, Lamu Dialogue, 20 April 2024.
- ⁵ For details on the EU sanctions list, see www.sanctionsmap.eu/#; and world-wide, www.globalsanctions.com.
- ⁶ At <https://www.consilium.europa.eu/en/press/press-releases/2024/06/24/14th-package-of-sanctions-on-russia-s-war-of-aggression-against-ukraine-eu-lists-additional-69-individuals-and-47-entities/>.
- ⁷ Alexandra Prokopenko, 'How Sanctions Have Changed Russian Economic Policy', Carnegie Endowment for International Peace, 5 September 2023, at <https://carnegieendowment.org/politika/89708>.
- ⁸ On the impact of sanctions, see David J Katz, 'Toward a Strategic Art for Sanctions', *Parameters* Vol. 54, No. 1, Spring 2024.,
- ⁹ For a summary on the military impact of sanctions, see 'Out of Stock? Assessing the Impact of Sanctions on Russia's Defense Industry', *CSIS Report*, April 2023, at https://csis-website-prod.s3.amazonaws.com/s3fs-public/2023-04/230414_Bergmann_Out_Stock.pdf?VersionId=6jfHCP0c13bbmh9bw4Yy2wbpjNnfeJi8.
- ¹⁰ At <https://www.president.gov.ua/en/news/sankciyi-shodo-rosiyi-pracyuyut-ale-ye-mozhливosti-dlya-yih-81677>.
- ¹¹ The top exports of Russia were in 2021 Crude Petroleum (\$113B), Refined Petroleum (\$81.8bn), Petroleum Gas (\$37.7bn), Coal Briquettes (\$19.1bn), and Gold (\$19.1bn), exporting mostly to China (\$70.9bn), Netherlands (\$39bn), United States (\$27.4bn), United Kingdom (\$24.7bn), and Italy (\$22.2bn). See <https://oec.world/en/profile/country/rus>.
- ¹² At <https://www.president.gov.ua/en/news/sankciyi-shodo-rosiyi-pracyuyut-ale-ye-mozhливosti-dlya-yih-81677>. In 2021, Russia produced 540 million tonnes of crude oil, accounting for 13% of global production. Of this, 260 million tonnes were exported directly as crude oil, comprising also 13% of global exports. Domestically, Russia refined the remaining 290 million tonnes of which 140 million tonnes were exported as refined products (11% of global refined exports) and 150 million tonnes were consumed domestically. See <https://www.bruegel.org/dataset/russian-crude-oil-tracker>
- ¹³ See *The Economist* at <https://www.economist.com/finance-and-economics/2024/03/10/russias-economy-once-again-defies-the-doomsayers>; and <https://www.economist.com/finance-and-economics/2024/08/11/vladimir-putin-spends-big-and-sends-russias-economy-soaring>.
- ¹⁴ See 'Russia forced to buy cash dollars from Rwanda's defense ministry after sanctions tightened' at <https://verstka.media/rossiya-zakupaet-dollar-u-ruandy-news>
- ¹⁵ See The Borgen Project, at <https://borgenproject.org/foreign-aid-to-rwanda/>.
- ¹⁶ See for example <https://www.devpartners.gov.rw/index.php?eID=dumpFile&t=f&f=98960&token=c8806be63b0115eb1c810a49b39afddb4941fe35>, esp. p.25.
- ¹⁷ Western defence official cited in *The Telegraph*, 26 January 2024. At <https://www.telegraph.co.uk/world-news/2024/01/26/russia-arming-itself-faster-than-nato/>.
- ¹⁸ See <https://www.aljazeera.com/news/2024/2/28/n-korea-sent-russia-millions-of-munitions-in-exchange-for-food-says-seoul>; and <https://kyivindependent.com/north-korea-could-have-sent-over-6-million-artillery-shells-to-russia-seoul-says/>.
- ¹⁹ See <https://www.defenseone.com/business/2024/04/goal-100k-artillery-shells-month-sight-army-says/396047/>.
- ²⁰ At <https://edition.cnn.com/2024/03/10/politics/russia-artillery-shell-production-us-europe-ukraine/index.html>.
- ²¹ At <https://www.politico.eu/article/russia-sanctions-western-companies-intel-huawei-amd-texas-instruments-ibm/>.
- ²² Cited in *Foreign Policy*, at <https://foreignpolicy.com/2023/09/07/western-sanctions-russia-ukraine-war/>.

- ²³ Cited at <https://www.nytimes.com/2024/03/28/us/politics/taiwan-china-ukraine-aid.html>.
- ²⁴ At <https://theins.ru/en/politics/268661>.
- ²⁵ At <https://jstribune.com/kraemer-taiwans-ongoing-business-ties-with-russia/>.
- ²⁶ Go to <https://www.consilium.europa.eu/en/infographics/eu-gas-supply/>.
- ²⁷ The Ukrainian gas transmission system has cross-border interconnections with four EU member states (Poland, Slovakia, Hungary, Romania) and with Moldova. In the 12-month period between July 2022 and June 2023, six EU countries (Slovakia, Austria, Italy, Hungary, Slovenia, and Croatia) and Moldova continued to receive Russian gas through the Ukrainian transit corridor. See *ibid*.
- ²⁸ See the data at <https://wits.worldbank.org/CountryProfile/en/Country/Russia/Year/2012/Summarytext>; and <https://wits.worldbank.org/CountryProfile/en/Country/USA/Year/2012/Summarytext#:~:text=Overall%20Exports%20and%20Imports%20for%20United%20States%202012&text=The%20total%20value%20of%20exports,were%20imported%20from%2024%20countries>.
- ²⁹ See <https://www.federalregister.gov/documents/2023/03/31/2023-06749/2022-global-magnitsky-human-rights-accountability-act-annual-report>.
- ³⁰ At <https://www.internationallawyersproject.org/post/a-journey-of-20-an-empirical-study-of-the-impact-of-magnitsky-corruption-sanctions>.
- ³¹ See Junhua Zhang, 'Prospects for the yuan unseating the dollar', *Geopolitical Intelligence Services*, at <https://www.gisreportsonline.com/r/yuan-unseating-the-dollar/>.
- ³² At <https://www.bbc.com/news/business-68004361>.
- ³³ At <https://data.imf.org/?sk=e6a5f467-c14b-4aa8-9f6d-5a09ec4e62a4>.
- ³⁴ Go to the Yale study on sanctions at <https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain?company=Sella&country=>.
- ³⁵ At <https://www.bbc.com/news/business-66739104>.
- ³⁶ At <https://thehill.com/opinion/international/4249965-sanction-bad-guys-not-poor-people/>.
- ³⁷ See <https://www.washingtonpost.com/news/monkey-cage/wp/2015/01/10/how-the-West-selectively-promotes-democracy-through-sanctions/>.
- ³⁸ We are grateful for the thoughts of an anonymous senior Western diplomat in this section.
- ³⁹ See <https://www.thebrenthurstfoundation.org/news/african-leaders-call-for-democracy-and-free-elections/>
- ⁴⁰ See Philippe Sands, *East West Street: On the Origins of 'Genocide' and 'Crimes Against Humanity'*. New York: Knopf, 2016.
- ⁴¹ Go to <https://eur-lex.europa.eu/legal-content/CS/TXT/?uri=CELEX:32024L1260>.
- ⁴² *The Economist*, at <https://www.economist.com/finance-and-economics/2022/08/24/western-sanctions-will-eventually-impair-russias-economy>.