

Debate

The Effectiveness of Economic Sanctions

ISSUE: Should the United States continue to import from Russia during the Ukraine dispute?

Economic sanctions are a common tactic used against countries to show displeasure over their practices. Often they are employed to protest human rights abuses or violence. The United States has trade embargos against Cuba and Iran. Many countries boycotted South African companies during apartheid. Economic sanctions are preferable to war because it is hoped that they will convince the opposing side to back down without violence. Restricting the trade of a country places it in economic hardship.

On the other hand, economic sanctions have many disadvantages. Because the world is increasingly globalized, restricting the trade of one country is likely to have an impact on many other countries as well. Certain countries have a number of resources that other nations depend upon; boycotting or restricting imports from that country would prevent the nations from getting that needed resource. This forces them to look elsewhere or cut back. This is why many consumers and companies will often hoard valuable resources if they anticipate a coming restriction on trading.

This is exactly what Boeing and United Technologies Corp. are doing with titanium. Approximately 30 percent of titanium used in the aerospace industry comes from the Russian firm VSMPO-Avisma. The United States has already restricted imports of certain goods from Russia because of the dispute in the Ukraine. After Malaysia Airlines Flight 17 was shot down, the U.S. government blamed pro-Russian rebels in the Ukraine. As a result of the crash and Russia's continued presence in the Ukraine, the United States banned imports of certain goods, including equipment, sensitive technology, and arms. The European Union has instituted similar sanctions. Boeing and other companies are worried that these sanctions will be increased. Therefore, they are preparing to have their supplies of titanium cut off.

In response, Russia has banned all food imports from the United States. These have become the most extensive sanctions since the Cold War. Thus far, the sanctions do not apply to oil, gas, or other commodities. However, Russia is a powerful supplier of these commodities, and further sanctions restricting these goods would have a major impact on Russia, the United States, and the European Union. Suppliers from the European Union have already begun to suffer from the ban on food. It is estimated that the United States will lose \$688.25 million of the value in sanctioned food from Russia.

Despite these downsides, supporters of economic sanctions against Russia, including the U.S. government, believe they are the best way to protest Russia's interference in the Ukraine. Already Russian suppliers have begun to suffer because of the ban on certain exports. It is hoped that economic difficulty will pressure the Russian people into forcing Russian President Vladimir Putin to back down. Economic sanctions are a nonviolent way of demonstrating to Russia that they cannot annex other regions without international approval.

On the other hand, some see economic sanctions as more of a bullying activity. As demonstrated, economic sanctions have escalated to the point where Russia and the United States are both boycotting one another. This could create an impasse in which neither country will win what it wants. Critics are worried that sanctions will hurt

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U.S. firms like Boeing that depends on imports from Russia. They also claim there is no evidence to indicate Russia was behind the downed Malaysia Airlines Flight 17. Finally, critics point out that sanctions have not had a good track record and that they hinder open discussion between the countries involved.

There are two sides to every issue:

1. Economic sanctions against Russia are a good way of protesting their practices.

2. Economic sanctions against Russia will be ineffective and hurt both countries.

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