



## THE IMPACT OF ECONOMIC SANCTIONS ON WELL-BEING OF VULNERABLE POPULATIONS OF TARGET COUNTRIES

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### ABSTRACT

*During post-Cold War period, economic sanctions have become one of the defining features of the political landscape. Since the early 1990s, the US, Europe and other developed economies have imposed sanctions on other countries more than 500 times, seeking to assert their influence on the global stage without resorting to military interventions. No-one would dispute that such punitive actions can impose severe impacts on health and well-being of susceptible populations of most non-sanctioned countries, and even target countries are not immune from the adversity of economic sanctions. Vulnerable layers of target country's society, such as children, women and aged people are those who suffer most from economic sanctions imposed by developed nations.*

### ARTICLE INFO

*Article history:*

Received 10 December 2018

Received in revised form 9 January 2019

Accepted 10 February 2019

*Keywords:*

economic sanctions, impact of sanctions,  
target countries, vulnerable population,  
trade embargoes

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Peer review under responsibility of Emil Kaburuan.

ISSN (electronic): 2620-6269/ ISSN (printed): 2615-4021 . Hosting by Research Parks All rights reserved.



## 1. Introduction

Trade sanctions, as a tool of coercive foreign policy, have been very popular in the 1990s. Most take the form of bilateral sanctions by the US, but the number of UN sanctions has also increased and regional groupings of states are also turning to the tool. Fairly comprehensive trade embargoes have been imposed, for example, against Cuba (US), Haiti (Organisation of American States, UN), Iraq (UN), Sierra Leone (ECOWAS, the Economic Community of West African States) and Burundi (neighbouring states).

There is now substantive cumulative evidence that trade embargoes cause severe civilian hardship and profound social and economic dislocation. Their impact goes beyond humanitarian crisis to induce serious economic recession and social impoverishment. In short, sanctions reverse 'development' gains, and their effects cannot be mitigated by humanitarian assistance alone.

There is no specific legal instrument to regulate sanctions but minimally they should respect basic principles in international humanitarian law, such as 'distinction' and 'proportionality'. Distinction directs those waging war to focus on military rather than civilian targets. Proportionality directs combatants away from targets that are likely to cause civilian harm disproportionate to military benefit.

The impact of sanctions on health and health services is not limited to problems with the supply of medicine. Health and health services are dependent on functioning water and sanitation infrastructure, on electricity and other functioning equipment such as ambulances, X-ray facilities or refrigerators to store vaccines. Even if humanitarian exemptions were effective, which in practice they are often not, this would not be sufficient to maintain health and health services. Weakened physical and medical infrastructure – due to lack of vital imports, but also due to a reduction in state funds for capital investment, maintenance and running costs (itself the result of lost revenue as a consequence of an embargo) – strain the ability of the health system to provide services and respond to medical emergencies. As the quantity and quality of health services decline, people are less motivated to continue using them. Simultaneously, access and user rates go down because the civilian population is forced to engage in alternative social and economic activities to cope with the macroeconomic impact of sanctions on employment and livelihoods.

The evidence indicates that vulnerability should be assessed and not assumed. Mothers and infants are undoubtedly a vulnerable group, but appropriate public health measures and a concentration of scarce resources cannot only stop but even reverse negative mortality trends in this population group, as the example from Cuba shows. Changes in under-five

rather than infant morbidity and mortality rates are more indicative than data on infants (under ones). But attention should also be paid to other, often neglected, vulnerable groups such as the chronically ill and the elderly, or other groups that are marginalised and excluded for economic, social or political reasons.

## 2. Literature review

The literature concerning sanctions does not place adequate emphasis on direct and indirect impacts of trade embargoes on health and well-being of people living below poverty line. However, few latest in-depth researches into the subject were carried out in order to establish general influences of economic sanctions on target countries. Sanctions have a significant impact on the economic growth and levels of poverty of the sanctioned countries.

- lead to an increase in the poverty gap with deprived sections of the population feeling the impact the most;
- damage income inequality;
- create regional imbalances, as resources are refocused to power and production centres;
- significantly decrease the GDP per capita of the sanctioned countries;
- damage the economic growth of women, minority communities and other marginalised groups;
- have a negative impact on the living standards and humanitarian situation of the population;

## 3. Research Methodology

There is ample evidence to suggest that humanitarian assistance cannot provide an effective safety net under a comprehensive trade embargo. At the same time, not every problem can be simply attributed to sanctions. Credible advocacy about the impact of sanctions depends on three key elements: reliability of the data, integrity of the source, and an argument that establishes a credible link between the outcomes identified and the

sanctions regime. The humanitarian community can and should improve its performance in this regard.

Indicators of inputs (such as food distributed or the value of medicines imported) or process (number of medical visits, number of diarrhoea or measles cases reported, or the number of children out of school) are easier and more rapid to collect and more reliable than outcome indicators (such as mortality rates). Additionally, other outcome indicators such as the percentage of children malnourished or the percentage of homes with access to clean water, while only partial expressions of the overall health situation, are relatively easy to collect in special surveys and prove very useful for monitoring of humanitarian conditions. By contrast, a small increase in risk of death, which is a rare event even at relatively high rates, is far more difficult to establish accurately.

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#### 4. Main Content

Sanctions, conditional on the severity of the coercion, might cause significant civilian pain by worsening public health conditions, economic well-being, and physical security of the populace in target countries.

Yet, it is unlikely that every segment of the society equally bears the cost of the sanctions. Groups with privileged access to political and economic resources might incur no major cost from foreign economic pressures by unevenly using the public and private resources in their favor. Vulnerable groups, on the other hand, might significantly suffer from any major political and economic instability caused by pressure due to their disadvantaged position in society. I would like to briefly focus on the sanctions' possible effect on one of those possible vulnerable groups; women.

When economic embargoes and financial restrictions hit those export-oriented sectors, it will disrupt women's economic well-being by raising unemployment among female labor force.

Export-oriented industries (e.g. textiles, apparel, leather goods, and electronic assemblies) especially face the biggest disruption following the imposition of economic sanctions, and women are highly represented in the composition of labor force in such industries run by local economic agents or multinational corporations (MNCs). As such women workers comprise of 60-80 percent of employees in most of the export-oriented industries.

Besides the export-oriented sectors, financial and trade sanctions also create unemployment in other areas of the economy by slowing the economic exchange in the domestic market, increasing inflation, and creating a black market for scarce market products. As economic coercion creates economic difficulties in the target economies, women will very likely be the first who to lose their jobs and face economic discrimination.

Economic sanctions will likely increase gender-specific violence and lead to more violation of women's human rights in target societies. Research shows that economic coercion causes more economic frustration especially among average citizens as a result of the sanctions' humanitarian impact on growing poverty, unemployment, and the gap in income distribution. Growing frustration and injustice feelings are important motivations for the emergence of violent acts at the societal as well as

individual levels. Scholars find an increase in personalized crimes rates in countries under economic coercion. Growing crime rates will decrease women's security by making them targets of assaults, harassments, rape and other forms of attacks because they are already among society's most vulnerable groups. Furthermore, economic coercion could also strain gender relations at the household level as a result of more domestic violence and abusive treatment of women.

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#### 5. Findings

It should be noted that every country responds differently to economic sanctions due to a number of interrelated aspects such as political, historical, geographical and economic factors. However, when it comes to adversities affecting vulnerable populations, some types of consequences are relatively common in most target nations. For instance, sanctions imposed on countries like Iran, generated serious effects on susceptible members of society. In 2014, Iran's GDP per a head fell a significantly from \$6376 to \$5293; this contraction was said to be the result of sanctions affecting the energy, banking and financial sectors, since increased sanctions in 2012. The sanctions targeted oil exports, which is the Iranian economy's main source of funds. As a result the oil output in Iran drastically decreased between 2012 and the lifting of sanctions in 2016. At the same time, inflation in Iran increased from 10.7% in 2009/10 to 39.266 % in 2013/142, resulting in more people living below the poverty line. High inflation was partly down to the significant increase in the cost of importing and exporting goods. Male youth unemployment stood at 26.4% in 2013, whilst female youth unemployment stood at 41.7% in 2013. Thus, sanctions had a dramatic impact on the economic growth and poverty levels in Iran, leading to high levels of unemployment, high inflation and a falling GDP. A combination of the aforementioned problems worsened living standards of millions of economically disadvantaged people in Iran.

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#### Conclusion

To sum up, we can reach some conclusions about the effects of economic sanctions on the health and well-being of target countries' vulnerable populations. Economic sanctions are ineffective policy tools that often lead to unintended and undesired consequences. It is evident that economic sanctions affect not only a target country, but also a sanctioning country and a third-party nation have to bear the potential damage. In addition to its inefficiency, economic sanctions pose severe problems for susceptible members of society like women, children and elderly people. These disadvantaged and vulnerable groups are highly likely to suffer from a lack of adequate social policy. In other words, poor health services, scarcity of employment opportunities and political instability adversely affects human well-being of such individuals.

To undermine the civilian pain and improve the effectiveness of sanctions, sanctioning countries should seek ways to put the pressure directly on the political elites who are in charge of the wrongdoings. The majority of economic sanctions, so far, have been a blunt economic instrument that hits the whole target economy without any or very few discriminatory measures to lessen the negative impact on civilians.

Sanctions in the forms of financial asset freezes, reduction or suspension of military arms sales and aid, and travel bans on target country's officials could be a way to target the political leadership. The significance of these targeted sanctions is that the political leadership is more likely to suffer from them since they are specifically aimed at the elites. Furthermore, these sanctions might cause less damage to civilians, lessening the negative impact on the regular functioning of domestic economies. Subsequently, as political elites face the cost of coercion more immediately through targeted sanctions, they should be more conciliatory towards the sender country's demands for more respect for democratic freedoms and human rights.

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