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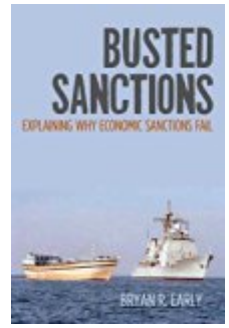
Bryan R. Early. *Busted Sanctions: Explaining Why Economic Sanctions Fail.* Stanford: Stanford University Press, 2015. 288 pp. $90.00, cloth, ISBN 978-0-8047-9273-8.



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In *Busted Sanctions: Explaining Why Economic Sanctions Fail*, Bryan R. Early explores how third-party states can derail economic coercion using both the tools of trade and foreign aid. The United States has strong economic influence in the international market and a strong ideological orientation toward the use of sanctions, making it the most frequent sanctioner in recent history. This makes responses to its policies an interesting area for exploration, and thus the focus of the book is the sanctioning efforts of the United States. In fact, the publication of this book is well-timed given that the two sanctions cases discussed in depth are the US sanctions against Iran and Cuba—both of which have generated a great deal of recent political attention.

A big problem the United States has had to deal with is sanction busters. One of the most important contributions of Early's book is his clear delineation of two types of sanctions busters—those motivated by profit seeking and those motivated by politics. While sanctions busting is a relatively frequent occurrence, Early's key intuition that it does not occur for the same reason in every case is an important advancement.

In earlier work by Gary Clyde Hufbauer, Jeffrey J. Schott, and Kimberly Ann Elliott (*Economic Sanctions Reconsidered* [first edition, 1983; second edition, 1990]), sanctions busters are uniformly characterized as ideologically driven black knights. These black knights step in to provide economic support for sanctioned states targeted by their political adversaries. While this is clearly true in a few well-known sanctions cases (like the Soviet Union's role in aiding Cuba), Early finds that this black knight behavior is actually the exception not the rule. After examining the actions and characteristics of sanctions busters, Early notes that there is a much greater tendency for third-party states to engage in sanctions busting for commercial reasons than for ideological ones.

Sanctions disrupt established commercial patterns and as a result, there are both political and economic consequences for this disruption. Early's theory of sanctions busting acknowledges the fact that these economic consequences can be (and often are) beneficial for some actors in the system. Trade-based sanctions busting occurs much more frequently than aid-based sanctions busting, and such actions are motivated by an opportunity to take advantage of market disruptions. In two-thirds of the cases in Early's analysis, sanctions busters are profiteers. But who is profiting?

The states that are best positioned to serve as trade-based sanctions busters are geographically proximate countries with open economies. One question Early does not address is whether these states are choosing to be sanctions busters or are passively providing the market conditions that allow firms in those states to be sanctions busters. Obviously, geography cannot be manipulated after sanctions are imposed, and sanctions busters have not historically dramatically changed their economies to take advantage of potential profits. Third-party states do not appear to be ***doing*** anything decisive in these situations. At most, Early demonstrates, they are choosing not to close down opportunities for firms within their borders to profit from the economic shift caused by the sanctions. But Early does not explore whether trade-based sanctions busting is driven by states or markets.

The story is very different when discussing aid-based sanctions busting. There Early demonstrates that third-party states make active policy choices to influence the outcome of US sanctions. In these cases, there is clear agency on the part of the third-party state and geography plays a smaller role.

In the case study on the nonproliferation sanctions levied against Iran, Early explores the role of the United Arab Emirates (UAE) as a crucial sanctions buster, one that was clearly profit rather than politically motivated. Unfortunately, Early does not make it clear what the UAE ***did*** other than exist in close proximity to Iran. The political structure of the UAE is highly decentralized, consisting of a federation of seven hereditary absolute monarchies. Not all of the seven emirates participated actively in the sanctions-busting trade or approved of it. Tension existed between Abu Dhabi, which is the capital, and Dubai, which served as an important port for goods coming into sanctioned Iran. Most of the key economic actors engaged in sanctions busting were multinational firms (many US-owned) who realized they could get scarce goods into Iran through Dubai and reap great profits. Very little of this occurred as a result of actions driven by the state. The critical decisions seem to be made at the firm level rather than the state level, but because of the focus on state behavior (especially for aid-based sanctions busting), the difference in level of analysis between the two different motivations for sanctions busting seems to get lost.

While clearly the Iran case is one that has captured media attention, the UAE does not meet the broad description of trade-based sanctions busters that Early provides based on the large-N quantitative portion of the analysis. Economically motivated sanctions busters tend to have large economies and open political systems. Often these states are allies and economic competitors of the United States. Examples he provides include Germany, Japan, and the United Kingdom. Additional brief discussions involving these countries might have enhanced the strength of Early's case, especially since he notes that given the frequency of trade-based sanctions busting, these are the states that have the greatest influence on the effectiveness of US sanctions. Are these states upending US sanctions efforts or simply not actively disciplining national firms engaged in profit-seeking behavior that relates to the sanctions?

Another question about this book relates to generalizability. Because the United States is the most frequent sanctions sender, it makes sense for Early to focus on these cases, but one of the key issues in determining which countries are likely to step in as sanctions busters is which countries can fill the economic gaps left by the sanctioner. Do the same patterns hold when sanctioners with less market power impose sanctions? Are the benefits too small to engage in sanctions-busting behavior if the senders are smaller states?

Secondly, will purely politically motivated sanctions busting occur outside of the context of a bipolar world? According to Early, the states that are most likely to attempt to use foreign aid to counteract US sanctions are rich adversaries. The previous point addresses the question of the wealth of the potential third-party states, but are there a multitude of less influential sanctions senders who create ideological incentives for sanctions busting? Would the United States boost foreign aid to a country sanctioned by Venezuela or Cuba without an accompanying commercial incentive? Even in the discussion of China's recent increase in aid to Cuba, profit motivation seems to supercede political motivations. Taking both of these points into consideration, the author might have strengthened the case for his theory by offering additional anecdotes outside of the US sanctions cases that are the primary focus of the book.

Overall, Early's book makes an important contribution to the growing literature on the impact of economic sanctions. Little theoretical attention has been given to the role of third-party states in the sanctions process, especially those who circumvent the restrictions. Despite the fact that many sanctions regimes fail to extract the desired political concessions from targets, the United States and others continue to rely on economic coercion. By strengthening their understanding of the impact that third parties have on the effectiveness of sanctions, policymakers may be able to design sanctions that minimize or mitigate the influence of sanctions busters. If the critical actors are firms and not states, and many of these firms are US-owned, this may be another path by which sanctions policies can be strengthened. The book also invites further exploration of the dynamics at the firm level rather than the state level and additional consideration of multinational corporations as sanctions busters.

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