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EU Sanctions at the Beginning and Today: Restrictive Measures from the Perspective of the EU Presidency

The EU's restrictive measures have evolved considerably over the past 45 years, of which the present study aims to paint a comprehensive picture. During the 2011 Hungarian Presidency, various restrictive measures were adopted against several countries, including Iran and Syria. The chapter describes the sanctions introduced under the Hungarian Presidency and then considers the current situation. The effectiveness and success of EU sanctions depend on several factors, but most often, they do not achieve the foreign policy objective for which they were designed, yet the EU increasingly uses them. Thus, in most cases, the measures imposed are primarily indicative, but they seem to have a paradoxical effect rather than encouraging compliance with international norms and laws. The paper tries to assess the impact of the most recently introduced restrictive measures on economic and social development and finally tries to identify Hungary's interests in this field.

Introduction

"We rely on others because we have already put in place several sanctions against Iran [...] in other words, we don't have much leverage with the Iranians at the moment", said George W. Bush, the former President of the United States of America in 2004. In those years, the U.S. considered Iran to be the most active state sponsor of terrorism. The U.S. has accused Iranian state actors of blowing up a U.S. military barracks in Saudi Arabia in 1996, funding anti-Israeli terrorist groups, and harbouring al-Qaeda operatives. In addition, many experts believed that the launch of the uranium enrichment program was aimed at producing nuclear weapons, which also posed a serious security threat to the European Union. Moreover, Iran had missiles capable of delivering such weapons to Iraq, Israel and even parts of the European Union. In this context, it is not surprising that there was widespread concern that the world's number one military and economic power felt powerless against Iran, whose leadership and operations it considered at the time to be a national security risk.

After two years of wrangling,² the UN Security Council finally adopted the first resolution against Iran in July 2006,³ and the second in December 2006, followed by

- ¹ Rice 2004.
- ² Gazdik 2010.
- ³ UNSC Resolution S/RES/1696 (2006).



several other Security Council resolutions.⁴ A broad international coalition and diplomatic effort,⁵ in which the European Union played an important role, leading to many countries around the world imposing various sanctions against Iran. Thus, in 2015, Iran yielded to international pressure in many respects and signed the Comprehensive Joint Plan of Action agreement, under which Iran committed to using its nuclear program exclusively for peaceful purposes. Two years later, Iran appeared to be in non-compliance, and President Trump suspended the agreement and imposed a series of restrictive measures against Iran.⁶ At the same time, the Council also decided to maintain restrictive measures against UNSC-designated persons and entities, as well as sectoral and specific measures under the EU sanctions regime: nuclear proliferation measures and arms and missile embargoes.⁷ Thus, in February 2022, Iran was the most sanctioned country. It is, therefore, doubtful how effective the restrictive measures have been. What is more, almost 20 years after the U.S. President's words, the European Union has been forced to impose new restrictive measures against Iran because of its *military support for* Russia in the war against Ukraine.⁸

Indeed, a political regime change followed international action against the former Yugoslavia. But it is not at all clear what role sanctions played in this. In the first instance, in 1992, the UN placed Yugoslavia under an embargo because of the war in Bosnia and Croatia, which lasted until the end of the conflict three years later. The European Community and the United States implemented the measure, and additional measures were introduced at their own initiative. The resulting sanctions were the most severe and comprehensive ever imposed, with dire economic consequences. However, they failed to achieve their political objective: instead of leading to a more critical electorate, they made people more receptive to authoritarian and totalitarian regimes by increasing poverty.¹⁰ Nevertheless, the Dayton Agreement was later reached and is seen by many as a shining example of the success of sanctions. However, some analysts, such as Mack and Khan, argue that military intervention led to the peace agreement and that sanctions were unnecessary.¹¹ The latter explanation is more likely, since war broke out again in the region in 1998, and the UN, the EU and the U.S. again imposed sanctions on Yugoslavia. 12 The situation finally changed with the victory of Slobodan Milošević's political opponent – although the takeover was far from smooth. In other words, the sanctions did not result in a change in the behaviour of political leaders.

- ⁵ Gazdik 2010.
- White House Archives 2018.
- ⁷ EU External Action Service 2021.
- ⁸ Council Regulation 2023/1529.
- 9 UNSC Resolution S/RES/757 (1992).
- ¹⁰ Delević 1998: 1–94.
- ¹¹ Mack-Khan 2004: 109-121.
- ¹² UNSC Resolution S/RES/1160 (1998).

⁴ UNSCR S/RES/2231 (2015), the legal history of which can be found at UNSCR S/RES/1737 (2006), UNSCR S/RES/1747 (2007), UNSCR S/RES/1803 (2008), UNSCR S/RES/1835 (2008), UNSCR S/RES/1929 (2010).

In other words, the policy objectives of the restrictive measures in case of Iran and Yugoslavia are also highly controversial. Several empirical studies have examined the economic and political effectiveness of restrictive measures. They show that, in most cases, the measures do not achieve their objective of changing the behaviour of the target country's political leaders, which violates international norms.¹³ Nevertheless, the UN Security Council is increasingly imposing restrictive measures. The European Union has imposed similar measures against some countries, both through implementing UN Security Council resolutions and under its powers, decided within the framework of its Common Foreign and Security Policy (CFSP).

The imposition of various restrictive measures is expected to continue to be an important foreign and security policy tool for the European Union. The first part of this chapter will briefly review the restrictive measures introduced by the European Union. It then seeks to explore how the policy has emerged as a priority of the 2011 Hungarian Presidency and then looks at the current state of sanctions policies, highlighting the opportunities and challenges, particularly the economic and social impacts.

Historical development of sanctions policy

The history of European restrictive measures dates back to 1978 when the European Economic Community imposed financial measures (suspended financial aid) against the regime led by Equatorial Guinea's first Prime Minister, Francisco Macías Nguema.¹⁴ An alleged coup attempt was attempted against the leader of the newly independent state in March 1969, to which Macías responded with a brutal reprisal. He banned journalists, blocked roads, and burned fishing boats to prevent people from fleeing the country, thus closing it to the outside world. He imprisoned and brutally murdered hundreds of his political opponents, whether real or imagined, including intellectuals, representatives and members of the Christian churches. A few months later, on Christmas Day, he led 150 people to a stadium where he murdered them with 36 men dressed as Santa Claus while playing a famous American hit song.¹⁵ The real terror was yet to come: in 1971, he repealed several sections of the previous constitution and gave himself virtually unlimited power over the government and other institutions. Under his leadership, the country's economy and ninety percent of public services – including electricity, postal services and transport – shut down. The cocoa and fishing industries that sustained the economy have ceased to exist. Macías has banned the use of Western medicine and drugs, claiming they are "not African". Two-thirds of his government disappeared or committed

¹³ Hufbauer et al. 1990; Nossal 1999: 125–137; Friman 2015.

University of Central Arkansas s. a.

¹⁵ World Peace Foundation 2015.

suicide in circumstances that are difficult to explain. As a result of the authoritarian rule that lasted until 1979, at least a quarter of the country's population died or fled, and an entire intellectual class was lost: at the time of the dictator's death, there were only two doctors in the country.¹⁶

Randall Fegley details the international response to terror. The country's neighbours are Cameroon and Gabon, which feared the rise of an internal ethnic minority and did not intervene. Equatorial Guinea's most important trading partner was Franco's Spain, which wanted to keep the situation the same. The French Government secured ten-year concession rights to forests, a port, and a luxury villa. The United States was exploring uranium and mining and marketing oil. Although it temporarily severed diplomatic relations with the country, it maintained trade links. China provided financial and infrastructure support, while the Soviet Union had unlimited fishing rights.¹⁷

For their apparent economic interests, the various powers have taken no action to curb the authoritarianism, apart from a few cautious condemnatory statements. At the same time, the UN has also been indecisive, with one UN ambassador shot dead on arrival at the airport by Macías's men and several other UN ambassadors beaten and tortured over the eleven years, according to Fegley's document. In 1974, at the suggestion of Belgium, the case was finally put on the agenda of the UN Human Rights Council, and new Swiss evidence was presented. The Macías regime denied all the accusations. Diplomatic action, although increasingly publicised, continued until 1979. After almost ten years of tyranny and terror, the UN launched an investigation, but by then, the dictator had already lost power in a military coup and was soon executed.

The first foreign policy move by the European Economic Community, using some form of sanctions, can be considered neither successful nor effective. Nevertheless, the Community of European States has imposed several sanctions against various countries since 1978. The adoption, modification, lifting, or renewal of restrictive measures is a matter for the Council of the European Union, which considers several actors' expertise. On the one hand, the relevant working groups investigate the matter; on the other, the EU High Representative for Foreign Affairs and Security Policy is consulted. The European External Action Service, which supports the work of the High Representative, plays a vital role in this process. This series of consultations aims to ensure the coherence, consistency and effectiveness of EU action. The Member States implement the measures thus agreed.

Most restrictive measures are so-called targeted sanctions, i.e. they do not cover a country as a whole but only specific individuals, groups, state or non-state actors, and companies, thus sparing the civilian population. In addition, sectoral sanctions are widespread – these target only part of the economy, such as energy embargoes or trade and financial restrictions.

¹⁶ Baynham 1980: 65–71.

¹⁷ Fegley 1981: 40.

I use the Global Sanctions Database (GSDB) to map macro trends in EU sanctions. The most recent dataset of the database aggregates 1,325 publicly traceable multilateral and bilateral restrictive measures from 1950 to 2022 and thus does not include the complete set of sanctions imposed on the Russian Federation.¹⁸ The GSDB assesses restrictive measures - in terms of political success and rates a case as "successful" if it is either so or so resolved and the sanction is lifted. Judging the success of individual sanctions is a challenging question, mainly because they are complicated to evaluate in themselves. In particular, judging effectiveness and success is made more difficult by the fact that sanctions are not imposed in isolation but, in most cases, are imposed by the sending country in the context of an overall diplomatic strategy or even military action rather than a foreign policy or foreign economic decision of the sending country.¹⁹ Thus, the database contains a relatively large number of controversial assessments, such as the "complete success" of the measures that Georgia introduced against Russia in 2008 after it launched an armed conflict against it. A political settlement was reached between the two countries through international mediation, but not due to Georgian sanctions, so the extent to which this and many other measures can be considered a success is highly debatable.²⁰

The database accurately records individual events and provides a comprehensive picture of the restrictive measures imposed by the EEC and the EU. According to the current data in the GSDB, the European Economic Community, and later the European Union, imposed restrictive measures against 70 regimes on 151 occasions between 1978 and 2022. It is important to note that the frequency of each occasion is not necessarily proportional to the severity of the overall nature of the restrictions. Accordingly, before 2023, the highest number of sanctions (eight) was imposed against Myanmar (Burma), followed by seven against Belarus, six against the former Yugoslavia, and five against Afghanistan, Libya and the Democratic Republic of the Congo. Those above heavily sanctioned Iran is subject to only four measures.

The trends in Figure 1 show that the number of EU actions has increased after 1996, in proportion to the frequency of UNSC actions. In terms of the average duration of restrictive measures, no significant change is apparent: the withdrawal dates of individual sanctions follow the pattern of the dates of imposition relatively closely.

Figure 1 shows a very high number of restrictive measures being phased out by 2022, but this is an interpretation issue due to the specificity of the database design. The GSDB records each measure's date of introduction or withdrawal, and in cases where the measures are still in progress, they show the last year of the last update of the database. That is, the 'phased out' measures shown for 2022 were in force when the database was closed.

¹⁸ Kirilakha et al. 2021.

¹⁹ Deák 2022: 86–115.

²⁰ Ма́тне́ 2023а: 63–82.

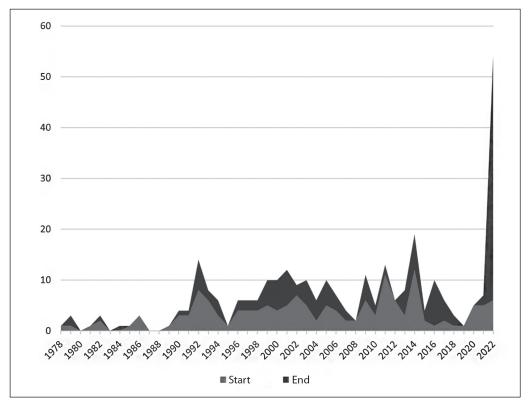


Figure 1: Temporal distribution of EU restrictive measures Source: Compiled by the author based on GSDB data

The declared primary and secondary objectives of the ECG and the restrictions imposed by the EU are mostly to counteract cases similar to the ones we have seen in the history of Equatorial Guinea. Primarily, it was intended to oppose the abolition of democratic institutions, serious human rights violations, or to call for an end to a war, as seen in Figure 2. In addition, the EU has also imposed sanctions where it has sought to persuade the political leaders of a state to change a public policy decision (usually related to human rights, democracy, or the territorial integrity of another country). Over the last decade, the EU has also introduced lateral measures, taken independently of a country, to combat terrorism or to protect against cybercrime. Among the secondary objectives declared by the EU, the most common are the protection of human rights, the end of war and the introduction of democratic regimes.

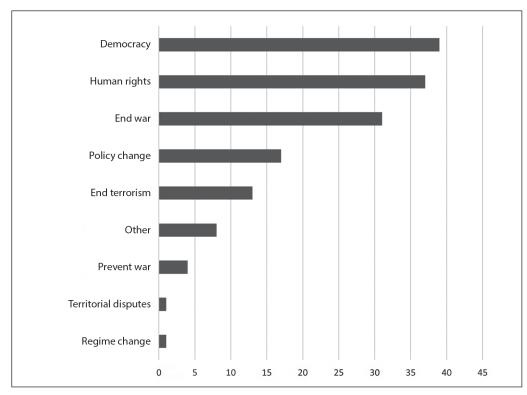


Figure 2: Primary objectives of restrictive measures Source: Compiled by the author based on GSDB data

The events recorded as "successful" by the GSDB mainly indicate that the situation challenged in the target country has moved closer to the priority objectives declared by the EU. Despite the significant margin of error indicated above, it is worth looking at the extent to which each of the primary objectives has been achieved. Figure 3 summarises the reasons for sanctions imposed over several decades and an assessment of whether the primary declared objective has been achieved. Accordingly, the only time the EU has imposed a restrictive measure concerning territorial disputes has been in the case of South Sudan – last amended in April 2023 and still in force.²¹

According to the database's interpretation of 'successful' sanctions, the most frequent 'complete success' measures were those imposed by the EU for attacks on democratic institutions and processes, which may be true if only because this was the most frequent primary declared reason for EU joint action, on 39 occasions in total. Partial success is counted in only 8 cases (Cambodia, the Democratic Republic of the Congo, Republic of Côte d'Ivoire, Republic of the Fiji Islands, Republic of the Gambia, Honduras,

²¹ Council Decision (CFSP) 2015/740.

Republic of Mali, Republic of the Niger). Policy ineffectiveness is counted in only 5 cases. Interestingly, however, it counts Hungary and Poland among the seven ongoing cases and cites the imposition of financial restrictions – presumably due to the launch of Article 7 proceedings. It also includes the ongoing cases in Belarus, Mali, Venezuela and Zimbabwe.

The EU's restrictive measures are mostly unsuccessful when they are aimed at tackling human rights violations. Of the 37 cases, 13 have failed, namely the Republic of Burundi, the Islamic Republic of Iran, the State of Libya, the People's Republic of China, the Federal Republic of Myanmar, the Syrian Arab Republic, the Republic of Sudan and the Equatorial as mentioned above Guinea.

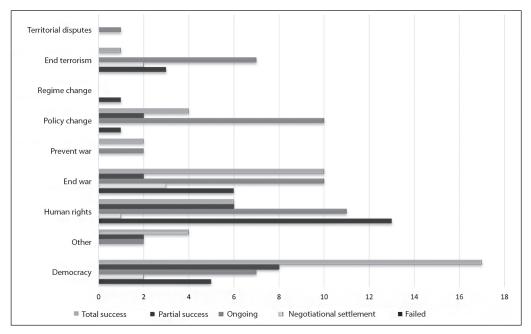


Figure 3: Success rate of declared priority objectives Source: Compiled by the author based on GSDB data

The database only includes some of the sanctions imposed in the context of the Russia–Ukraine war, but these will be discussed in more detail in the following sections of this chapter. Nevertheless, despite using the otherwise debatable term 'successful sanctions', the main features of the restrictive measures imposed by the European Union over the last 45 years are still visible.

Firstly, the EU's predecessor institution took its first action very cautiously – after almost ten years of watching a genocide perpetrated by an authoritarian regime. After that, restrictive measures were introduced with increasing frequency. In the 1999s and 1990s, the number of sanctions increased, mainly due to the increasing frequency of UN Security Council resolutions. At the same time, the EU has also increasingly imposed restrictive measures under its powers.

In the early days of the policy, the countries targeted by the sanctions were overwhelmingly less economically developed, weak, or declining states, against which the European Union had and still has considerable economic and political power. The imposition of trade sanctions in 2022 on its main energy exporter, on which it was virtually dependent, is a significant change. It is also noteworthy that, according to some sources, it has imposed financial sanctions on two of its Member States. It seems that in the space of a few decades, the values of democracy and human rights have been strengthened to such an extent that the EU is taking action against its own Member States, and many of them are even capable of taking action at the expense of their national interests. Compared to the history of mass executions at Christmas, the policy instrument and its use seem to have been substantially reassessed.

EU sanctions policies among the priorities of the 2011 Hungarian Presidency and their results

Hungary took over the rotating Presidency of the Council of the European Union in the first half of 2011, in a trio presidency with Spain and Belgium. The specificity of the trio presidency institutional system ensures continuity of policies, i.e. open dossiers need to be taken forward. The relative disadvantage of this is that a Member State has relatively little room for manoeuvre in representing its interests. At the same time, the Presidency can take specific issues forward, set the agenda, and help find compromise solutions.

The former trio's program was shaped by the economic crisis of a few years ago. Thus, the main focus areas for the 18 months were organised around five essential points. The first was to tackle the effects of the economic crisis and relaunch growth, followed by support for social cohesion, i.e. taking up social issues. The third priority of the trio was to address environmental and climate challenges, including the common energy market, transport and greenhouse gas emissions. Another essential element was the implementation of the Stockholm Programme, launched in 2009, which included common management of immigration and asylum. Finally, in the area of the EU's external relations, the continuation of enlargement, the coordinated development of civilian–military capabilities, and coherent external action were addressed.²²

Concerning the priorities set within the trio, the 2011 Hungarian Presidency Programme highlighted four themes. First, under the *Growth and Job Creation theme*, sustainable competitiveness growth, job creation and support for small and medium-sized enterprises were included. Under the same heading, the fight against poverty and the integration of the Roma population were also included. Under *A Stronger Europe*, the second priority covered European food security issues, developing a common energy and water policy, and the Danube strategy. The third theme, *Closer to Citizens*, focused on the conclusion of accession negotiations with Croatia, the acceptance of Schengen accession for Romania and Bulgaria, and the strengthening of the neighbourhood dimension. Finally,

²² GAZDAG 2011: 72–85.

the priorities identified in the *Enlargement policy* area included Croatia, mentioned earlier, and the accession of Iceland and Turkey. The Eastern Partnership program, also a priority, was also placed here.²³

In other words, at the time, sanctions policy and its consequences were not a priority for either the trio or the Hungarian Presidency. Nevertheless, the Hungarian Presidency had a hectic period regarding restrictive measures, mainly because of the outbreak of the "Arab Spring" series of uprisings immediately before its term, which continued during the Hungarian Presidency. This triggered solid international reactions, to which the EU responded swiftly by introducing various restrictive measures.

The protests started in Tunisia in December 2010 and ended on 14 January with the resignation of the President and his departure abroad.²⁴ Given the situation, the European Union, independently of the UN Security Council, imposed financial restrictive measures against the former president and his spouse on 31 January for misappropriating Tunisian public funds.²⁵ Subsequently, on 4 February, the Council decided to implement Decision 2011/72/CFSP²⁶ and adopted Regulation (EU) No 101/2011²⁷ imposing financial restrictions on the former President and his family members, 48 in total.

In these weeks, the situation in Libya has also escalated, leading to the UN Security Council resolution 1970 of 26 February, which called for a ceasefire and an end to attacks on civilians, a no-fly zone over Libya, an arms embargo and a travel ban. ²⁸ Following the first Security Council Resolution, the European Union adopted on 28 March Council Decision 2011/137/CFSP imposing an arms embargo and freezing of the assets of the President and his family members, and on 2 March Council Regulation 204/2011/EU²⁹ imposing restrictive measures against the Libyan Government. On 17 March, the UNSC adopted Resolution 1973, reaffirming its previous measures and authorising foreign intervention to protect civilians. ³⁰ The long-term consequences of this, particularly in view of the migration crisis, are highly controversial.

The next episode of the "Arab Spring" continued in Egypt and ended with the President's departure. As before, on 21 March, the EU ordered the freezing of funds and economic resources of the former president and his family members for the illegal use of Egyptian state funds. On the same day, 21 March, the Council adopted a decision on Bosnia and Herzegovina, also freezing funds and economic resources of persons whose activities violate the sovereignty, territorial integrity, constitutional order and international legal personality of Bosnia and Herzegovina, seriously undermine the security situation in Bosnia and Herzegovina; or violate the Dayton/Paris General Framework Agreement for Peace. 32

- ²³ European Parliament 2011.
- ²⁴ Al Jazeera 2015.
- ²⁵ Council Decision 2011/72/CFSP.
- ²⁶ Council Implementing Decision 2011/79/CFSP.
- ²⁷ Council Regulation (EU) No 101/2011.
- ²⁸ UNSC Resolution S/RES/1970 (2011).
- Council Regulation (EU) No 204/2011.
- ³⁰ UNSC Resolution S/RES/1973 (2011).
- Council Regulation (EU) No 270/2011.
- ³² Council Decision 2011/173/CFSP.

Iran was the main item on the Council's agenda in April and May. The first relevant Council Regulation was adopted on 12 April, freezing the funds and economic resources of persons responsible for serious human rights violations in Iran (certain government members, military and law enforcement officials, judges, and prison officials and their families).³³ On 23 May, a decision was taken on implementing an earlier Council Regulation directly or indirectly affecting several Member States and non-EU countries.³⁴ Regulation (EU) No 961/2010³⁵ provides for sectoral restrictive measures under UNSCR 1929/2010, 36 such as the export of goods related to nuclear and missile technology, the export of equipment and technology for use in critical sectors of the oil and gas industry, and the freezing of funds and economic resources of certain entities and individuals.³⁷ The EU's May provision also affected several entities registered in Germany, Malta and some in Cyprus, as well as Hong Kong and Singapore, which could affect the interests of member states. Iran has not been immune to the issue either, with some sources saying that the Iranian Foreign Ministry has contacted the Hungarian Ambassador to Tehran, who holds the EU presidency, to protest against the EU's sanctions on Iranian military leaders.³⁸

May also saw the introduction of restrictive measures against the Syrian regime, which resulted in the Council imposing restrictive measures against those responsible for the violent repression against Syrian civilians.³⁹ It decided to ban arms exports and freeze certain persons and entities' funds and economic resources.

The last month of the Hungarian Presidency was hectic, and various restrictive measures were adopted. First, it extended restrictive measures on Syria,⁴⁰ then it took action on Libya, and finally, it closed the semester with a decision on Belarus. On Libya, it extended the scope of the entities covered by the restrictive measures and authorised, under certain conditions, financial and economic transactions resulting from contracts for oil, gas and refined oil products, as well as similar acts for humanitarian purposes. On 20 June, the Council confirmed and extended the restrictive measures already imposed against the President of Belarus, his family, and some individuals and entities close to the government.⁴¹

In addition to the above mentioned cases, the Council discussed ongoing cases during the Hungarian Presidency. Accordingly, on 15 February, the Council extended previous restrictions on the Government of Zimbabwe, its members, and their close associates, freezing individuals' funds and economic resources.⁴² On 27 June, the Council extended its decision on the arms embargo against Côte d'Ivoire, the ban on imports of rough

- ³³ Council Regulation (EU) No 359/2011.
- ³⁴ Council Implementing Regulation (EU) No 503/2011.
- ³⁵ Council Regulation (EU) No 961/2010.
- ³⁶ UNSC Resolution S/RES/1929 (2010).
- ³⁷ Council Implementing Regulation (EU) No 503/2011.
- 38 HVG 2011.
- ³⁹ Council Decision 2011/273/CFSP.
- 40 Council Implementing Decision 2011/367/CFSP.
- 41 Council Regulation (EU) No 588/2011.
- 42 Council Decision 2011/101/CFSP.

diamonds, and extended the scope of the entities whose funds and economic resources it froze.⁴³ Most restrictive measures against Côte d'Ivoire were imposed following the entry into force of UN Security Council resolutions.⁴⁴

The majority of the restrictive measures listed have generated little debate among individual Member States, as they have not affected a key industry, food or energy security in any Member State. Although some measures affected a number of EU companies, they were not critically dependent on trade relations with the country concerned. Accordingly, Member States' responses varied more along specific historical links and security and domestic policy considerations. For example, the French Government initially offered its expertise and allowed the delivery of tear gas grenades to Tunis to suppress popular protests. Libya and the U.K. was among the first to recognise the transitional government and support the military intervention. Italy opposed the EU's stricter response, mainly on security grounds, but eventually sided with Paris and London. Germany opposed military action mainly on domestic political grounds.⁴⁵

However, the success of restrictive measures against political regimes in some countries does not seem very encouraging. The political leaderships of Belarus, Libya, Iran and Syria have not substantially changed their values and democratic institutions. Restrictive measures are still in place against these countries. Most measures against Tunisia are still in place and will be reintroduced in the first half of 2024. The sanctions against Zimbabwe have been eased, but restrictive measures are still in place until the first half of 2024. The measure against the leader of Côte d'Ivoire cannot be considered a success in itself, as a military intervention ended the civil war. For details of all other restrictive measures currently in force, see the European Union website.⁴⁶

Moreover, the EU's response to the Arab Spring has divided the international community. Asseburg believes that the series of events has highlighted the EU's weakness in effective conflict prevention and timely crisis management – and has thus created an environment that is not conducive to democratic transition and regional stabilisation.⁴⁷ Fernández-Molina has a similar view of the EU's action, arguing that internal contradictions have driven decisions and, that the measures taken have not taken sufficient account of local specificities, and that the results are not in line with the objectives set.⁴⁸

To sum up, the original priorities of the 2011 Hungarian EU Presidency did not include sanctions policies – it only planned to take forward a few ongoing dossiers. However, the events linked to the Arab Spring have forced the EU to respond, and the Hungarian Presidency has had a number of tasks in this area. The EU's initial response was determined by the Member States' specific historical, economic and security relations with the states concerned, so making unified decisions was not always easy. This is perhaps why the measures can be seen as a template and less effective in terms of crisis prevention.

⁴³ Council Implementing Decision 2011/376/CFSP.

⁴⁴ UNSC Resolution S/RES/1975 (2011).

⁴⁵ Del Sarto 2016: 215–232.

⁴⁶ EU Sanctions Map s. a.

⁴⁷ Asseburg 2013: 47–62.

⁴⁸ Fernández-Molina 2017: 301–325.

Current state of play, opportunities and challenges of the EU sanctions policy

Restrictive measures are decided and legislated within the EU's Common Foreign and Security Policy pillar framework. The decision-making process is intergovernmental and is one of the few institutions where the Council's twenty-seven member states must vote unanimously – except for appointing special representatives. Abstention on specific issues is not an obstacle to unanimity.

It may adopt legislative acts at the initiative of the European Council, the individual Member States, the Commission, or the High Representative. Consequently, the European Commission is less important in the decision-making process. The European Parliament has no role in decision-making; the Council only has to inform the Parliament.

The pursuit of unanimity undoubtedly slows down this Council formation, making it less effective. It is, therefore, not surprising that many are calling for the abolition of unanimity and the introduction of qualified majority voting. The European Parliament is the most apparent proponent of this, with a commissioned study highlighting the expected benefits of qualified majority voting and calling, among other things, for changes to the EU treaties to achieve this.⁴⁹

Another EP initiative on EU sanctions calls for an EU-wide Magnitsky Act.⁵⁰ The Magnitsky Acts are designed to allow countries issuing sanctions for serious human rights violations and abuses worldwide to impose restrictive measures against specific individuals and organisations, regardless of their geographical location. The EP considers that using this instrument would allow for more frequent, swift and independent restrictive measures without the support of Member States. While the European Magnitsky Act has been adopted in some form by the EU,⁵¹ it has been used sporadically and does not include human rights violations relating to corruption, which the European Parliament, for example, deplores.⁵²

Although the current trio's priorities do not focus on sanctions policies, the Hungarian Presidency is expected to deal with several ongoing and potentially new issues. Although it is impossible to assess the outcome of the Russia–Ukraine war from a perspective of more than a year, likely, the war will not be concluded in the second half of 2024. Most of the measures adopted and in force so far have no end date or end date before June 2024, except for Council Decision (CFSP) 2023/1500, which is in force until 8 December 2024. In addition to the restrictive measures against Russia, other cases already in force and currently requiring legal review will be an essential element of the work of the Council under the Hungarian Presidency.

⁴⁹ Wessel-Szép 2022.

⁵⁰ Russell 2021.

⁵¹ Council Regulation (EU) 2020/1998.

⁵² Russell 2021.

In addition, the *EU Action Plan on Human Rights and Democracy 2020–2024*, published in March 2020⁵³ sets very ambitious targets for the human rights strategy. This can, and in many cases should, be pursued in many cases in countries worldwide. Therefore, many actors are expected to push for its wider implementation. Regarding action against genuinely serious human rights violations and abuses, there will be little debate within the European Union as long as they are primarily directed against individuals or specific organisations. Nor do restrictions on the export of arms and various technologies tend to provoke much debate between Member States. The introduction of other sectoral or economic sanctions affecting strategic industries, energy, or food security in different Member States is a much more sensitive issue, as is the case with Russia.

The events that began in 2011 in the context of the Arab Spring presented the Hungarian Presidency with unforeseen challenges and opportunities, during which it could act quickly and demonstrate its commitment to democratic values. It is not excluded that, as political conflicts in the international arena intensify, we can expect a new series of international events that will also present the 2024 Hungarian Presidency with challenges and opportunities.

The impact of sanctions policy on economic and social development

The EU's sanctions policies have come a long way since the belated and timid action following the 1969 Christmas massacre. In the face of serious violations, the Council has tended to act firmly and swiftly – predominantly targeting individuals and organisations. Most often, it transposes UNSC Resolutions into the EU context, but increasingly, it acts independently or with a series of actions beyond the scope of a UNSC Resolution. The primary *declared objectives* of restrictive measures are to act to establish a democratic system and to protect human rights.

However, a close examination of events reveals that most targeted, sectoral and comprehensive sanctions, whether country-wide or sectoral, do not contribute to forcing or changing such measures by repressive political regimes. Moreover, restrictive measures are the least likely to achieve their objectives in the case of authoritarian regimes. The EU's sanctions policies, whose declared objectives are in no case merely indicative, are most likely to target authoritarian regimes – that is, they are least likely to change or force the desired political change. Thus, sanctions typically can potentially restrict a contested behaviour in the first place. By contrast, EU sanctions are successful for countries with some form of dependency relationship with the EU or an interest in cooperating with the EU because of economic and trade links or prestige concerns.

⁵³ European Commission 2020.

⁵⁴ Marinov 2005: 564–576; Kaempfer–Lowenberg 1999: 37–58.

⁵⁵ Friman 2015.

⁵⁶ Portela 2012.

Despite this, the EU is increasingly applying restrictive measures, more recently also against states on which its member states are economically or trade dependent. In other words, there is considerable doubt as to whether the conduct complained of can be enforced, changed, or even restricted. Thus, first and foremost, the real purpose of EU sanctions is to signal violations of the international system and legal order and to achieve domestic policy objectives.

The EU's signal measures are morally indefensible. The aforementioned *EU Action Plan on Human Rights and Democracy 2020–2024* also sets out objectives that most Europeans can support. At the same time, highly ambitious goals that would make the EU almost a 'human rights superpower' could easily have the opposite effect on a large part of the international community.

Galtung called the idea that economic sanctions would force political elites to abandon their objectionable behaviour a naive theory of economic warfare. He pointed out that, in many cases, the sanctions reinforce the challenged leader's power and increase his support.⁵⁷ Similarly, it is easy to imagine that a sectoral (embargo on certain products) or financial (e.g. exclusion from the SWIFT system) restrictive measure imposed in a traditional or tribal society because of human rights violations represented by the EU could have the opposite effect and increase anti-Western sentiment and support for political leaders.

At present, Russia and Iran are the two countries most subject to multilateral sanctions, and both have experienced the disadvantages of being disconnected from SWIFT. These are indeed a signal to other countries, but not necessarily an incentive for them to stop the behaviour being criticised. The most recent example is the recent enlargement round of the BRICS countries, whereby the two heavily sanctioned countries can find close allies and maintain their objectionable regimes. Moreover, the BRICS have been working for some time to strengthen their currencies: the idea of a new common currency has been mooted in the past, as has the introduction of a digital currency, where the EU is a year or two behind Russia or Brazil, for example. Introducing a digital currency would allow partners to trade in their currencies, bypassing the SWIFT system.

In addition, independently of restrictive measures, the countries of the Global South are increasingly calling for reform of international organisations such as the UNSC, the IMF and the World Bank. The normative power of the EU to transmit its values internationally seems to be diminishing, and tensions between the blocs seem to be increasing. As a result of the new alliances that have emerged, the influence of China and India – whose political systems are also underpinned by a distinctive kind of democracy – is growing.

In other words, the restrictive measures imposed by the EU, which is very vocal on human rights, will likely drive the countries whose regimes the EU criticises towards each other. The results of this growing political antagonism are already visible in the actions and responses against China, the EU's most important trading partner.⁵⁸

⁵⁷ Galtung 1967: 378–416.

⁵⁸ Máthé 2023b.

The long-term impact of the most indicative restrictive measures introduced may, therefore, trigger resistance to the EU rather than the expected policy changes and, paradoxically, reinforce the political regimes it intends to oppose. Exceptions are countries that are economically, commercially, or militarily dependent on the EU or where the partnership is a matter of prestige for them.

On the contrary, the restrictive measures support domestic policy objectives at the EU level: on the one hand, the EU's actions, independent of the Security Council, reinforce the role of the organisation as a single great power. ⁵⁹ On the other hand, there are reasons to suggest a change in the unanimous decision-making mechanism used in the CFSP framework or the more frequent use of the European Magnitsky Act based on the need for more effective action. These mechanisms support federalist aspirations and could sometimes allow Member States to act against their national interests.

In sum, EU restrictive measures do not typically lead to political change in the target country. Instead, their value lies in the fact that they signal a breach of international norms. However, restrictive measures can also lead to a rapprochement between objectionable regimes, such as Iran and Russian military cooperation. Restrictive measures can, however, support the EU's federal objectives by allowing for unified economic and political action.

Hungary's interests in the future development of restrictive measures

The introduction of restrictive EU measures can hardly be morally objected to. However, restrictions imposed against overwhelmingly authoritarian regimes rarely achieve the goal of making the regime democratic. Their introduction should, therefore, be considered in the light of their long-term political and economic results, especially in case of sectoral and trade restrictions.

The sectoral measures imposed on Russia have led to the EU cutting itself off from relatively cheap Russian energy supplies, which in many ways have ensured the competitiveness of the EU economy for decades. It has done so without having a robust pre-developed strategy to provide alternatives, the impact of which has caused severe economic damage to Member States' economies and a heavy burden on their populations.

The sudden expansion of the BRICS and the submission of applications for accession by almost 40 countries is not entirely unrelated to the measures imposed on Russia. The event highlighted the growing tensions between the EU and its close allies, and the countries of the so-called Global South. In light of this, it is not surprising that one of the priorities of the Spanish Presidency at the time of writing was to re-industrialise the EU and ensure its strategic autonomy.⁶⁰ In particular, it wants to strengthen the EU's strategic autonomy in energy, health, digital technologies and food. Re-industrialisation

⁵⁹ Giumelli 2013.

⁶⁰ Spanish Presidency of the Council of the European Union 2023.

and the critical raw materials needed to achieve this are important to the EU's vision – for example, gallium and germanium, which are used to make semiconductors, solar panels and microchips. China is the largest exporter of both raw materials.

However, the EU sees China as both an ally and a strategic rival and has begun to take a number of risk-reducing measures to reduce its dependence on China. These are all reasonable decisions and important for the interests of Hungary, but how they are taken is debatable. In the last few weeks, a trade war between the EU and China seems to be gaining momentum,⁶¹ the economic consequences would be severe for the EU and Germany's economies and thus, indirectly for Hungary's economy.⁶²

One of the consequences of the emerging trade war is that the number and economic value of protectionist measures between the two blocs seems to be increasing. It is right to take action against human rights abuses, but it is questionable what might happen if several EU Member States were to impose sectoral sanctions for human rights violations by China.

Of course, it is neither possible nor appropriate to address all these problems within the framework of the CFSP, but it is worth encouraging or supporting the avoidance of sectoral and trade sanctions where possible. Moreover, the Hungarian Presidency could provide an opportunity to create a forum for dialogue between the EU and the countries of the Global South, and possibly reduce the growing tensions. As was the case with the 2011 Hungarian EU Presidency, the G20 meeting in 2024 will be held during the Hungarian EU Presidency. The meeting will take place in Brazil and focus on the Russian–Ukrainian issue and the reform of international institutions. It may not be too late to ease tensions between countries that want to reform international institutions and the EU and to curb or prevent a trade war.

Conclusions

The institutional development of the European Union's sanctions policy has come a long way. The initial indifference and passivity have been replaced by a very active engagement in which the EU seeks to strengthen its role as a significant international power. This goal is to be supported, but empirical experience shows that the restrictions imposed are mainly against authoritarian regimes, which are generally unsuccessful and ineffective.

The effectiveness of the sanctions imposed during the 2011 Hungarian EU Presidency is also highly questionable. The measures introduced in the context of the Arab Spring depended on the historical relations between the member states and the target countries, but economic and security issues also played an important role. Accordingly, EU decision-making has had to reconcile many different perspectives and interests. If similar measures were to be taken during the 2024 Hungarian Presidency, Member States' positions would

⁶¹ Máthé 2023b.

⁶² FELBERMAYR et al. 2021.

likely be aligned along similar lines. The quest for unanimity makes this problematic but, at the same time, ensures that no Member State's fundamental interests are compromised in common foreign policy decisions.

The Arab Spring events have shown that the EU can act as one in the international arena, but its actions have not contributed to the effective management of crises or to preventing new uprisings. In the light of these, it is questionable whether the much-vaunted defence of democratic values and human rights are primarily rhetorical devices to extend the EU's normative power or whether they are values that the EU is acting on. This assessment is primarily relevant for international partners – namely, the extent to which the European Union is seen as a reliable partner seeking genuine stability.

In the context of the sanctions imposed in the Russia–Ukraine war, the restrictive measures against Russia appear to have been seen as strong by a relatively broad section of the international community. This has triggered a paradoxical reaction from many countries, resulting in ever closer relations being built between countries that do not necessarily accept the norms and values of the European Union and its partners.

In addition to the challenges of global markets, the actions of the EU and its close allies have contributed to growing discontent in the Global South, and restrictive measures are most likely to deepen divisions. If they were to escalate and result in more protectionist measures, the EU economy would be severely damaged. Without access to the critical raw materials in its development plans at a bargain price and without its key trading partners, the EU's competitiveness could be severely damaged, reducing its economic strength.

The 2024 Hungarian Presidency could be an opportunity to deepen a dialogue based on mutual respect between the European Union and the countries of the Global South and to lay new foundations for cooperation. There seems to be openness in this direction among international partners.

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