

Wall Street Journal (Oct. 10, 2021)

Biden Administration to Constrain Use of Sanctions in Foreign-Policy Shift

The change comes after successive administrations increasingly used the tool, alienating allies and raising questions of efficacy

By Ian Talley

WASHINGTON—**The Biden administration plans to limit the use of economic and financial sanctions in a shift that Treasury Department officials said should strengthen the impact of a tactic that U.S. foreign policy** has relied on in recent years.

After a nine-month Treasury-led audit of sanctions policy, the officials said Monday that sanctions will remain a critical policy tool but need to be **better calibrated**. To that end, the officials said, the interagency vetting process for sanctions will be refocused to more heavily weigh the potential for unintended harm to vulnerable groups, resistance from allies and other economic and geopolitical fallout.

The policy overhaul **marks a potential turning point in U.S. foreign policy** after successive administrations increasingly turned to sanctions to punish what they saw as misdeeds and push foreign governments to comply with American interests. The number of sanctions levied on governments, businesses, officials and others grew 10-fold over the past two decades—a trend that culminated in the Trump administration, which blacklisted adversaries more frequently than previous administrations.

Many foreign governments, including some allies, have often criticized their use as bad policy and **long-arm justice**. Sanctions advocates have also questioned their effectiveness and worried about undermining U.S. global power and spurring the creation of alternative financial systems and the use of cryptocurrencies beyond U.S. reach.

Some point to the failure of the Trump administration to prevent Iran from enriching nuclear materials, oust Venezuela's longtime rulers, stop North Korea from testing ballistic missiles or deter Russia from interfering in U.S. elections.

Sanctions have at times proven effective in securing U.S. foreign policy goals, and defenders say they represent an alternative to force, especially as the Trump administration sought to reduce the U.S. military footprint abroad. Former Trump officials have also said that relying on international consensus and waiting for allies would have entailed compromises undermining U.S. national security.

Deputy Treasury Secretary Adewale Adeyemo, who led the Biden administration sanctions review, said the new approach is meant to **"ensure that sanctions remain an effective national security tool."**

As part of the review, officials examined past actions and found that sanctions subjected to rigorous questioning before they are implemented led to a greater likelihood of success, the officials said.

Another critical plank of the **Biden administration's strategy is securing international collaboration for sanction regimes, instead of going it alone**, to reduce the channels for evasion by sanctions targets, the officials said.

The new vetting process will scrutinize the potential impact of sanctions on financial markets, economies and vulnerable populations, the officials said. One Treasury official said the new vetting will be akin to the administrative procedures required to approve use of military force.

The Biden administration has already ratcheted back the use of sanctions since taking office in January. Around 450 people, companies and other entities have been blacklisted in that time period, less than half the number imposed during the Trump administration’s first year, according to Treasury data collated by the Center for a New American Security, a Democratic-leaning think tank in Washington.

Those numbers show the Biden administration is more hesitant to automatically respond to foreign policy challenges with sanctions, said CNAS researcher Jason Bartlett.

Sanctions “will continue to play an important role in leveraging U.S. power,” said Mr. Bartlett. “They will incorporate sanctions as a force multiplier in their foreign policy strategy instead of leading with them,” he said.

The administration said it has considered rolling back the economy-crippling Iran sanctions imposed by the Trump administration and has given priority to humanitarian waivers for Venezuela, Iran and Afghanistan. It also said it plans to specially target human rights abusers, corruption and the use of crypto markets for illicit finance.