SANCTIONING SOUTH AFRICA: THE POLITICS BEHIND THE POLICIES

William H. Kaempfer and Anton D. Lowenberg

Introduction

The existing literature on international economic sanctions emphasizes the ineffectiveness of economic measures, such as trade embargoes and investment boycotts, in bringing about their intended foreign policy objectives. Economists, for example, have shown that world markets provide considerable possibilities for substitution of alternative sources of supply and alternative markets, so that trade restrictions are relatively easy to circumvent (Bayard, Pelzman, and Perez-Lopez 1983; Hufbauer and Schott 1985; Black and Cooper 1987). Even supposing that sanctions are successful in inducing economic damage in the target nation, political studies have demonstrated that the political consequences are quite often the opposite to those intended. For instance, the residents of the target country will sometimes "rally around the flag" and lend increased political support to the ruling regime (Knorr 1975, p. 154; Doxey 1980, pp. 120–21; Renwick 1981, p. 87; Lowenberg 1987, p. 29).

Recent years have seen a proliferation of sanctions episodes—for example, those directed by the United States against Iran, Libya, Nicaragua, Panama, Japan, and Brazil, as well as South Africa. However, if the link from economic sanctions to economic dislocation in the target country is weak and if the link from economic dislocation to a desired political response is even weaker, then the question of why economic sanctions continue to be used at all remains evasive.

The purpose of this paper is to apply a public choice approach to explain the use of economic sanctions as an instrument of foreign

policy, and then to examine the predictions yielded by public choice theory in the light of recent sanctions episodes. We treat sanctions as endogenous regulations that restrict trade or factor movements between nations. Like any other regulatory intervention, sanctions are income reducing in aggregate, although they create redistributions of income favoring some groups at the expense of others within the domestic economies of both the target country and the sanctioning country. The advantage of this method is that it is able to account for the adoption of sanctions strategies in the sanctioning nations that have minimal economic impact on the target country.

The traditional view of economic sanctions is an instrumental one— namely, that the purpose of sanctions is to inflict the maximum amount of economic harm on the target country in order to induce a change in some objectionable policy pursued by that country's government (Kaempfer and Lowenberg 1988b; Lundborg 1987, p. 5). According to this approach, which we label the "damage hypothesis," an economic sanctions package that does the most damage (per unit of cost to the sanctioner) will generate the greatest chance of a favorable policy change in the target country. The sanctioner determines the magnitude of the costs it is willing to incur by assessing the amount of damage it wishes to impose on the target.

We propose an alternative view, however, based on a public choice analysis of endogenous policy, which we call the "self-interest hypothesis." According to this approach, interest group competition within the sanctioning country determines the extent and type of sanctions selected. Interest groups vary in terms of their lobbying efficiencies and capacities for rent seeking. Producer groups, for example, are small and cohesive, and can easily control free riding among their members, whereas large consumer groups tend to be less effective in exerting political influence. Politicians respond to the pressures of competitive interests by supplying regulation up to the point where the summed marginal utilities of the beneficiaries equal the summed marginal disutilities of the losers (Peltzman 1976). If the regulation in question creates a net deadweight loss (the losers lose more than the beneficiaries gain), and if all interest groups are identical in terms of their abilities to produce political pressure, then the regulation will not be enacted. However, if the beneficiary groups are more effective in exerting influence than the loser groups, then a positive quantity of the regulation might be "politically efficient," despite the fact that it is wealth reducing for society as a whole (Becker 1985; Kaempfer and Lowenberg 1988b).

If we treat the sanctions package implemented by a sanctioning nation as an endogenous regulatory outcome, then the structure and

714

composition of the sanctions are determined by the interplay of competitive interest group pressures within that nation's domestic polity. Interests in economic sanctions vary between groups. One group, comprising individuals with so-called noble interests, gains direct utility from a desired policy change in the target country (this is a form of altruism). A second group, which we shall identify as having a "symbolic" interest in sanctions, gains utility from the adoption of a particular policy stance, regardless of the actual impact of that policy on the target country. Bagnoli and Lipman (1987) have characterized this source of utility as "warm glow" altruism. A third group possesses a "base" interest in sanctions to the extent that it receives a net transfer of wealth that is a by-product of the sanctions.

The enactment of economic sanctions, however, entails some real costs and thus some real political opposition. Consequently, those with noble interests favoring sanctions will usually need to form logrolling coalitions with those possessing symbolic and base interests in order to overcome political opposition. In the absence of such coalitions, since sanctions cause allocative distortions and reduce total income, the opposition of groups that lose income due to the sanctions would likely be sufficient to prevent the sanctions from being implemented (Kaempfer and Lowenberg 1988b).

This paper focuses attention on the process of policy formation within the sanctioning country. In order to test the validity of the self-interest hypothesis, we examine the structure of sanctions against South Africa adopted by the United States, the European Economic Community, and Japan. The self-interest approach leads us to expect that the type of sanctions policy implemented by a nation will reflect competitive interest group pressures in the political system. In many instances, the real purpose of pro-sanctions interest groups in the sanctioning country is to send a signal of disapproval of the target country's policies, or to establish an international reputation, or to restrict imports in order to benefit a domestic industry. Furthermore, interruptions of trade and investment are costly to the sanctioner as well as to the target country. Therefore, it follows that the types of sanctions selected by the sanctioner will be such as to communicate the strongest possible signal for any given economic cost. Goods selected for embargo are likely to be traded in markets where either substitution possibilities are considerable, so that the market impact of the boycott is minimized, or a rent-seeking domestic interest group is likely to benefit from the sanction. This view conflicts with the standard view of sanctions, according to which they are designed specifically to impose maximum market dislocation in the target country.

715

Testable Implications and Data

Total embargoes of trade and other economic relations with a target country are rarely implemented by sanctioning countries. Generally, embargoes are selective, that is, they target particular goods or particular factors of production. The political process within the sanctioning country determines which specific trade or investment links between countries will become the targets of sanctions. A careful examination of this political process, and the resulting sanctions, enables us to test both the damage hypothesis and the self-interest hypothesis. Specifically, it is possible to examine whether the actual goods selected for sanctioning are chosen because those boycotts will maximize economic harm in the target country, or because they are the politically efficient outcomes given the configuration of interest groups in the sanctioning country.

We set forth four separate implications of the self-interest hypothesis. First, this hypothesis suggests that the sanctioner's imports, and especially imports of final goods, will be restricted more frequently than the sanctioner's exports. Protectionist or neomercantilist self-interest seeks to ensure that domestic producers of import substitutes benefit from trade restrictions at the expense of consumers of those goods. On the other hand, export firms lose when cut out of foreign markets, while domestic consumers of those exportables gain from lower domestic prices. However, producer groups tend to have more political influence than consumers due to their ability to overcome free-riding difficulties (Destler 1986). Consequently if export goods are observed to be the chief target of sanctions, it is likely that base self-interests play an unimportant role in determining the nature of those sanctions. However, if sanctions fall largely on imports, the self-interest of import competing industries is likely to have been important in shaping the sanctions strategy.

Second, if the sanctions implemented do not generate significant income transfers favoring some major interest groups at the expense of others, then it is unlikely that those sanctions are motivated primarily by base self-interests. It is more likely that pressure for such sanctions derives from nonpecuniary motives ("noble" or "symbolic" interests), or that the pressure for sanctions arises according to the damage hypothesis.

Third, we ask whether the boycotted goods are in fact traded on a significant scale between the sanctioner and the target country. If maximum economic harm is the intent of a sanctions package, then the sanctions must fall on significantly traded goods.

Fourth, the economic impact of trade restrictions depends on the elasticities of world excess demand and supply curves facing the

target. Thus, if world demand and supply are very elastic, the target falls into the "small country" category and is very likely to be able to find substitute markets in which to trade. If the target is a "large country" facing imperfectly elastic supply and demand curves in markets for its sanctioned goods, then the sanctions will have a price impact so long as the sanctioning country is a signficant trade partner of the target.

These last two implications will be tested by examining the relevant market shares. Thus, for a given world elasticity of import demand, the smaller the share of the target country's exports going to the sanctioner, the more elastic the world import demand curve net of the sanctioner's demand. Likewise, the smaller the share of the target country's imports originating in the sanctioning country, the greater the remaining elasticity of supply of exports from the rest of the world. However, even when the volume of trade between the target and the sanctioner is large, if the world market provides a significant array of substitution possibilities for a particular good—that is, if the target's share of total world trade is small—then little economic harm will result from a boycott of that good.

During 1986 most of the major Western nations implemented sanctions against South Africa (*Congressional Quarterly*, 27 September 1986). While there are remarkable similarities between the sanctions packages, there are also some important differences. We examine the sanctions imposed by the United States, Canada (as a representative of the Commonwealth), the United Kingdom, West Germany (as a representative of the European Economic Community), and Japan. Five different anti-apartheid sanctions packages were endorsed, implemented, or extended in August and September 1986 by these nations or groups of nations. The sanctions fell into five broad categories: disinvestment, bank loans, import restrictions, export restrictions, and landing rights (or tourism) restrictions. We focus on the import and export restrictions, which are detailed in Table 1.

The pattern of trade for South Africa in 1985 is summarized in Table 2. Data for three basic import categories (iron and steel, textiles, and coal) are presented. Textile trade is divided into three components: fibers, fabrics, and apparel. Table 2 presents the total 1985 dollar amount of imports from South Africa into the sanctioning countries, as well as the share of those countries' imports with respect to the total exports of South Africa to all OECD nations. The share of South African exports in total OECD imports from all countries is also given. These data do not include explicitly South African trade with non-OECD nations, notably other Southern Cone nations in South America, Israel, and some of the newly industrialized nations

717

TABLE 1

MAJOR TRADE SANCTIONS IMPOSED AGAINST SOUTH AFRICA
IN 1986

Country	Imports	Exports

United States	Steel and Iron
	Coal
	Textiles
	Agricultural Goods
	Uranium
	Krugerrands
		Oil
		Computers to
		  Apartheid Enforcing
		  Agencies

United Kingdom	Steel and Iron Krugerrands	Oil "Sensitive" Equipment to Police and Army

European Economic
  Community
	Steel and Iron	Oil
		"Sensitive" Equipment
		  to Police and Army

Canada and Other
  Commonwealth
  Countries
	Steel and Iron
	Coal
	Agricultural Goods
	Uranium
	Krugerrands	

Japan	Steel and Iron
	Krugerrands
		Computers to
		  Apartheid Enforcing
		  Agencies

SOURCE: *Congressional Quarterly*, 27 September 1986, p. 2271.

of the Far East, which are all significant trading partners for South
Africa. However, Table 2 does provide information on South Africa's
share of total world trade in each category.

Evidence from the 1986 Anti-Apartheid Sanctions

Table 1 lists the various sanctions imposed against South Africa by
important sanctioning countries and groups of sanctioning countries
during 1986. Of the nine product categories restricted by one or more
countries, seven are imports: steel, iron, coal, uranium, textiles, Kru-
gerrand coins, and agricultural products. This list seems to support
the view that the structure of a sanctions package is strongly influ-
enced by pressure on the part of interest groups whose motives are
not primarily to punish the target country. In other words, neomer-
cantilist interests, striving to diminish imports in general, will regard

TABLE 2

FLOWS OF SANCTIONED SOUTH AFRICAN EXPORTS

Sanctioning Country	Product	Share of Total South African Exports to OECD (%)
	Iron and Steel	
United States	293,621	31.2
United Kingdom	43,257	4.6
West Germany	111,533	11.9
European Economic Community	274,518	29.2
Canada	20,153	2.1
Japan	192,571	20.5
Total S.A. Exports to OECD	940,982	83.0
Total OECD Imports	39,223,837	S.A. Share of OECD Imports 2.4
		S.A. Share of World Trade 1.6
	Textile Fibers	
United States	11,398	3.9
Total S.A. Exports to OECD	294,941	S.A. Share of OECD Imports 3.0
Total OECD Imports	9,869,847	S.A. Share of World Trade 1.7
	Yarn and Fabrics	
United States	22,256	15.9
Total S.A. Exports to OECD	140,026	S.A. Share of OECD Imports 0.4
Total OECD Imports	34,618,015	S.A. Share of World Trade 0.4
	Apparel	
United States	40,693	64.8
Total S.A. Exports to OECD	62,786	S.A. Share of OECD Imports 0.1
Total OECD Imports	42,151,892	S.A. Share of World Trade 0.1
	Coal	
United States	43,418	3.3
Canada	0	0.0
Total S.A. Exports to OECD	1,317,881	S.A. Share of OECD Imports 9.3
Total OECD Imports	14,179,898	S.A. Share of World Trade 7.1

NOTE: All data are in thousands of 1985 dollars, except South Africa's shares of world trade that were calculated using 1982 data.
SOURCES: OECD, *Import Export Tables;* and the United Nations Trade Data System, 1987.

the elimination of imports from a particular country as a partial step toward the attainment of their ultimate protectionist goal.

The two sanctioned export categories, oil and computers (or other sensitive equipment for apartheid enforcing agencies), both merit special attention. In general, oil exports are very insignificant, or zero, from the United States and most European Economic Community countries. Furthermore, the restriction of oil exports to South Africa is, for most countries, an extension of an earlier sanction on exports of domestically produced oil, but it does not affect transshipment of oil. Since the downfall of the Shah of Iran in 1979, only Brunei has admitted to exporting oil to South Africa (Kaempfer and Lowenberg 1988a). (It should be noted that South Africa has no oil reserves, although a domestic synthetic-oil-producing industry has been developed to reduce import dependence.) In addition, South Africa has been able to purchase oil on the spot market. A ban on exports of domestically produced oil to South Africa is therefore not likely to cause severe economic damage in that country.

The ban on computers and other sensitive equipment like weapons for apartheid enforcing agencies and the army must be treated separately from traditional economic sanctions on exports. This treatment is because these sanctions are not usually justified on the grounds that they will change apartheid by inflicting economic harm on South Africa. Rather, the intent of these instruments is to directly raise the costs of enforcing apartheid policies. As such, they have strong symbolic value to interest groups within the sanctioning countries that desire to adopt a visible anti-apartheid stance or send a signal of disapproval to the South African regime. This appearance is certainly consistent with the self-interest hypothesis.

The second implication associated with the self-interest hypothesis suggests that imports selected for embargo are likely to be those that attract strong protectionist pressure on the part of import-competing industries. Clearly this is an easily justifiable contention for the steel, iron, and textile industries. These sectors are among the most protectionist in OECD nations, and they are quite as likely to welcome country-specific protection as across-the-board measures. This attitude is particularly notable in the case of textiles, since South Africa is not a party to the Multifiber Agreement and its exports therefore escaped one level of trade restrictions prior to sanctions.

A similar case can be made for some embargoed agricultural products. Only the United States restricted trade in agricultural commodities. European nations, which are heavy consumers of produce from South Africa in the winter, chose not to embargo this category of goods. While the United States does import some out-of-season fruits

and vegetables, it also imports sugar, which is the subject of strong protectionist pressure. It is interesting to note, however, that the South African sugar quota was not eliminated to raise the overall level of protection in the United States. Rather, it was transferred to the Philippines. This fact suggests the possibility of an implicit logrolling alliance between the anti-apartheid lobby and the pro-Aquino lobby, which was strong enough to overwhelm the interest of sugar producers in eliminating South Africa's quota altogether.

It is likely that the governments of the sanctioning countries are themselves a powerful interest group seeking a restriction in trade in Krugerrands. Most governments have entered the business of issuing gold coins for general consumption. South African Kruger-rands, however, have always been a source of competition in this business as they were an early entrant into the market. Since gold bullion was not embargoed by any government, one can presume that South African gold is still being coined for sale to the general public. However, it is being coined in the consuming countries rather than in South Africa.

The two energy import categories, coal and uranium, seem to refute the self-interest hypothesis. They are intermediate goods whose pro-tection would be theoretically opposed not only by consumer inter-ests, but also by final goods producers, especially the power gener-ating industry. Moreover, they are not goods that generally attract heavy protection. Nevertheless, we might conjecture that there exists a coalition between the pro-sanctions lobby and some other interest group for each good. Anti-nuclear interest groups have a strong desire to keep the nuclear power industry heavily regulated; thus they might seek this extra sanction on one foreign source of uranium to further their aims. In the case of coal, only the United States and Canada (or the Commonwealth) applied an import embargo. Signif-icantly, these countries are not large overall importers of coal and in fact are major exporters in competition with South Africa. The intent of the American and Canadian sanctions on coal may have been to pressure Europe, which is a heavy importer of South African coal, to levy a similar import ban. Such a move would have secured almost the entire European market for North American exporters.

Sanctions in the area of landing rights and tourism can also be subjected to the interest-group test. The United Kingdom called for a voluntary end to the promotion of South African tourism and tourism promotion was banned by the Commonwealth sanctions package. Since 46 percent of all tourists in South Africa in 1984 were from Commonwealth nations, this ban seems to be a significant step. How-ever, some Commonwealth countries (notably Kenya, Zimbabwe,

721

and Zambia) are probably important competitors with South Africa for the tourist trade. Thus, this specific sanction might have had as much to do with a desire to divert tourists elsewhere as a desire to cause economic harm to South Africa.

The United States ended landing rights for South African Airways while Japan and the Commonwealth imposed a ban on all air links with South Africa. The Commonwealth sanction in particular would prove to be a significant action against South Africa if it were enforced, since many flights to South Africa are routed through Kenya or Zimbabwe. (However, a few African countries such as Cape Verde Island and Mauritius remain available as substitutes.) But although Zimbabwe was an important party to the Commonwealth sanctions agreement, it has yet to restrict landing rights in its own territory or impose any other sanction (Anglin 1987). This fact suggests that the call for sanctions itself might be more important to the countries involved than the actual imposition of costly sanctions.

Even if special interests are partially behind the sanctions applied against South Africa, those sanctions could nevertheless induce significant harm. Traditional analysis of economic sanctions suggests that embargoes are most damaging when they are implemented in markets where demand and supply are inelastic (Hufbauer and Schott 1985, Black and Cooper 1987). The last two implications of the self-interest hypothesis, as stated in the previous section, are concerned with this elasticity issue and the consequent ability of economic sanctions to cause economic damage.

In assessing the potential for damage, it is necessary to determine whether the sanctioner imports a significant portion of the boycotted good from South Africa. Consider a given market for some South African export with a given elasticity of world excess demand. When one country removes itself from the market by boycotting South Africa's export, the elasticity of excess demand of the remaining buyers must fall. The greater the share of the South African export going to the sanctioning country, the greater will be the reduction in the elasticity of the residual demand. If this residual demand elasticity is reduced to a small magnitude as a consequence of the withdrawal of the sanctioner from the market, then the remaining buyers' demand price for the South African export is likely to fall considerably. Such a fall in price and export earnings can inflict severe damage on the South African economy. If, however, the sanctioning nations' share of South Africa's exports is small, there will be little change in the elasticity of the residual demand.

The evidence in Table 2 is mixed on this issue. Three different categories of textile trade are examined: fibers, fabrics, and apparel.

Only the United States levied a sanction against textile imports. The
U.S. share of total South African exports to the OECD is 3.9 percent
for fibers, 15.9 percent for fabrics, and 64.8 percent for apparel. How-
ever, there is an inverse relationship between the size of the U.S.
share (and the dollar value of imports) on the one hand, and the
importance of the export to South Africa. Specifically, South Africa
exported almost $300 million of fibers to OECD countries, but less
than $150 million of fabrics and only $63 million of apparel. Losing
65 percent of its apparel export market may cause South Africa some
economic harm, but the relatively low level of apparel exports miti-
gates the extent of the harm.

The evidence on coal trade, however, casts serious doubt on the
damage hypothesis. Only the United States and Canada imple-
mented coal import sanctions. Prior to the imposition of these sanc-
tions, United States imports of South African coal amounted to $43
million, which was 3.3 percent of South Africa's total coal exports to
the OECD. Canada actually embargoed imports of a good it did not
import in the first place. Thus South Africa was left with most of its
initial coal market intact following the sanctions and would presum-
ably not find it too difficult to replace the $43 million of lost coal
sales. Any economic damage caused by the sanctions would be
minimal.

Finally, imports of iron and steel from South Africa were embar-
goed by all of the trading partners listed in Table 2. The United
States, Japan, Canada, and the European Economic Community
imported 83 percent of South African iron and steel exports to the
OECD in 1985, which is not surprising considering that these countries
account for the bulk of economic activity in the OECD. The elimi-
nation of this trade could be potentially damaging to the South Afri-
can economy, since it might induce either a cut in export prices so
as to increase sales to nonboycotting countries, or, failing that, a
reduction in output.

However, the analysis above assumes a given world elasticity of
demand for South African exports. When the sanctioning country's
market is removed from the world market, the residual demand of
the rest of the world for South African exports becomes less elastic.
The resulting degree of inelasticity of demand in South Africa's
remaining export markets, however, depends not only on the share
lost due to sanctions, but also on the initial elasticity of world import
demand. Thus, for maximum economic damage to the target country,
sanctions should be imposed in markets where the world demand is
inelastic to begin with. For example, if South Africa were a "small
country" in the sense that it faced a perfectly elastic world excess

demand curve, then sanctions by one country, or even several countries, would have no impact on South African exports.

In order to approximate the elasticity of world demand for each category of South African exports affected by sanctions, we examine the share of each export in total OECD trade and total world trade. In the case of iron and steel, which is boycotted by all the major OECD countries, the South African share of total OECD imports from all sources is only 2.4 percent. Even this small share overstates the significance of South African exports on the world market, where South Africa's iron and steel exports compose only a 1.6 percent share. Therefore, even if excluded from most of the OECD market, South Africa might well be able to find alternative buyers for its iron and steel in non-OECD (and nonsanctioning) countries such as Argentina, Chile, Israel, and some of the Asian newly industrialized countries. In effect, South Africa's small share of world trade in iron and steel enables substitutions among buyers of its iron and steel exports and, consequently, mitigates to a large extent any potential for economic harm in this category.

The damage to South Africa induced by the U.S. ban on textile imports is even more doubtful. The South African share of total OECD imports is only 3 percent, and its share of world trade is 1.7 percent for fibers. The corresponding figures for fabrics and apparel are 0.4 percent and 0.1 percent respectively (OECD imports account for the bulk of world trade in these goods). Thus, even though the United States imports 65 percent of South African apparel exports, the small share of total South African apparel exports in world trade implies that the residual demand curve is highly elastic. Therefore South Africa should be able to find alternative buyers for all of its textile exports, without a major fall in export prices or quantities.

The coal embargoes lend strong support to the self-interest hypothesis even though South Africa commands a fairly large share (7.1 percent) of the world coal trade. Prior to sanctions, 9.3 percent of OECD coal imports originated in South Africa. Furthermore, these imports composed 14.9 percent of South Africa's total exports of all goods to OECD countries of $8.8 billion. If all OECD members were to embargo coal imports from South Africa, the costs to South Africa would be significant. However, only the United States and Canada imposed such a sanction and the share of trade involved was only 3.3 percent of South Africa's coal exports. Europe and Japan, on the other hand, are major importers of South African coal (their markets accounting for $1.2 billion of the $1.3 billion of South Africa's coal exports to the OECD), and they chose not to sanction coal. Presumably, the costs of a coal sanction to those interest groups within

Europe and Japan that would lose from such an embargo if it were sufficiently high to induce a strong lobbying effort against anti-apartheid and other pro-sanctions interests. Undoubtedly, the United States applied pressure on the European Economic Community and Japan to implement a coal embargo, which would benefit United States coal exporters (*Los Angeles Times,* 3 April 1988, Pt. v, p. 2).

Finally, there does not appear to be much potential for sanctions on other categories of traded goods to create severe economic damage to South Africa. An almost total embargo of oil exports to South Africa has been in place since 1979. This embargo has caused South Africa to resort to expensive alternatives to oil like coal liquification, but oil imports continue through world spot markets. Krugerrand import bans do not interfere with the export of gold bullion from South Africa, and may cause a substitution into bullion imports as Krugerrands are replaced with gold coins minted in the sanctioning countries but probably out of South African gold. Sanctions on South African agricultural exports are much like coal sanctions. South Africa is a major exporter of many different agricultural commodities. However, the nations that did implement such restrictions, the United States and Canada, are not major importers from South Africa. In general, there is not much evidence to support the hypothesis that the sanctions which were applied against South Africa were chosen in order to create a great deal of economic damage in South Africa.

Conclusion

A public choice approach to economic sanctions suggests that the type of sanctions selected by the sanctioning countries will reflect competitive interest-group pressures in those countries and will not necessarily be designed so as to maximize economic damage in the target country. This paper has examined empirical evidence on actual sanctions episodes (OECD sanctions against South Africa) in order to determine whether sanctions are geared mainly to maximize economic damage or whether they are shaped largely by special interests without regard to their impact on the target.

In general, it appears that the 1986 sanctions levied against South Africa provide more support for the self-interest hypothesis than the damage hypothesis. The special interest view, for example, implies that sanctioners will boycott the exports of the target country rather than restrict their own exports to the target. This view holds true for the case of South Africa, thus lending support to the self-interest hypothesis. In addition, the imports from South Africa selected for embargo are often those that compete directly with domestically

produced goods in the sanctioning countries and therefore attract neomercantilist protectionist pressure. Again, this fact fits the special interest perspective on sanctions.

The impact of trade restrictions on the target country depends on the elasticity of world excess demand and supply curves and on the share of the target's imports or exports accounted for by the sanctioners. For example, even if the sanctioners import a large share of a particular export good of the target country, and then subsequently close their markets to the target, the impact on the latter country will be minimal if remaining world demand for that export is highly elastic.

In the case of the 1986 South African sanctions, the sanctioning countries usually chose to boycott those imports that composed a small share of South Africa's total exports of the good in question, for example, American and Canadian coal and agricultural sanctions. Even when the sanctioning countries accounted for a large share of South Africa's exports, the total volume of trade between them and South Africa was generally small relative to world trade, suggesting a highly elastic demand by the rest of the world and readily available substitute markets (this is the case of OECD iron and steel sanctions). Alternatively, in some instances, a sanctioner imports a large share of South Africa's total exports of a particular good, but the importance of those exports to South Africa (in terms of their share in total South African exports of all goods) is small, for example, U.S. sanctions on South African apparel. In both of the latter cases, the level of economic damage to the South African economy is minimal.

Thus, the composition and coverage of economic sanctions strategies appear to reflect the exigencies of interest-group politics within the sanctioning countries. At least in the case of the recent sanctions episodes against South Africa, this motive for sanctions outweighs a purely instrumental intent to inflict economic harm.

References

Anglin, Douglas G. "The Frontline States and Sanctions against South Africa." Carleton University Working Paper, 1987.

Bagnoli, Mark, and Lipman, Barton L. "Private Provision of Public Goods Can Be Efficient." University of Michigan Working Paper, 1987.

Bayard, Thomas O.; Pelzman, Joseph; and Perez-Lopez, Jorge. "Stakes and Risks in Economic Sanctions." *The World Economy* 6 (March 1983):73–87.

Becker, Gary S. "Public Policies, Pressure Groups, and Dead Weight Costs." *Journal of Public Economics* 28 (December 1985):329–47.

Black, P. A., and Cooper, H. "On the Welfare and Employment Effects of Economic Sanctions." *South African Journal of Economics* 55 (March 1987):1–15.

Destler, I. M. *American Trade Policies: System under Stress*. Washington, D.C.: Institute for International Economics, 1986.

Doxey, Margaret P. *Economic Sanctions and International Enforcement*. 2d ed. New York: Oxford University Press, 1980.

Hufbauer, Gary Clyde, and Schott, Jeffrey J. *Economic Sanctions Reconsidered: History and Current Policy*. Washington, D.C.: Institute for International Economics, 1985.

Kaempfer, William H., and Lowenberg, Anton D. "South Africa's Vulnerability to Oil Sanctions: A Public Choice Analysis." Claremont Center for Economic Policy Studies Working Paper, 1988a.

Kaempfer, William H., and Lowenberg, Anton D. "The Theory of International Economic Sanctions: A Public Choice Approach." *American Economic Review* 78 (September 1988b):786–95.

Knorr, Klaus. *The Power of Nations: The Political Economy of International Relations*. New York: Basic Books, 1975.

Lowenberg, Anton D. "Analyzing Economic Sanctions: Toward a Public Choice Framework." Claremont Center for Economic Policy Studies Working Paper, 1987.

Lundborg, Per. *The Economics of Export Embargoes: The Case of the U.S.-Soviet Grain Suspension*. London: Croom Helm, 1987.

Peltzman, Sam. "Toward a More General Theory of Regulation." *Journal of Law and Economics* 19 (August 1976):211–40.

Renwick, Robin. *Economic Sanctions*. Cambridge, Mass: Harvard University Center for International Affairs, 1981.