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WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal providededicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

LAW AND JUSTICE IN A GLOBALISING WORLD: SHAPING THE GLOBAL ECONOMY: THREE FUTURE SCENARIOS OF TARGETED ECONOMIC MEASURES

AUTHORED BY - PUNEET KUMAR

Abstract

The Russian invasion of Ukraine has led Western countries and their allies to implement widespread sanctions. This is another instance of how economic interdependence is being used as a tool to address security issues. The frequent and often forceful use of sanctions can significantly influence the process of globalization. There are three main possible outcomes. First, the growing use of extraterritorial sanctions may fragment the global economy by impacting business environments and trade relations. Second, markets may adapt to the economic and political disruptions caused by sanctions, allowing the current global trade structure to continue with only minor or gradual changes. Finally, the importance of the global economy might drive the creation of a new world order where sanctions are used less frequently than they are today.

Introduction

The invasion of Ukraine has prompted a strong response from Western nations. The United States, the European Union, Japan, and other allies have imposed a comprehensive set of sanctions, which some describe as "unprecedented." Whether or not this characterization is entirely accurate, these two years of restrictive measures have brought renewed attention to how certain nations use economic interdependence as a tool to address security challenges.¹ The concept of weaponizing economic interdependence gained traction a few years ago, illustrating how the United States has leveraged the central role of the dollar for political purposes. The situation with Russia has reignited a long-standing debate with serious implications for international trade and the global economy.²

¹ Peter Rutland, "How Putin Has Shrugged off Unprecedented Economic Sanctions over Russia's War in Ukraine – for Now", in The Conversation, 21 February 2023, <https://theconversation.com/how-putin-has-shrugged-off-unprecedented-economic-sanctions-over-russias-war-in-ukraine-for-now-199718>.

² Henry Farrell and Abraham L. Newman, "Weaponized Interdependence: How Global Economic Networks Shape State Coercion", in International Security, Vol. 44, No. 1 (Summer 2019), p. 42-79, https://doi.org/10.1162/isec_a_00351.

This paper examines how sanctions have evolved over the past two decades and explores the primary challenges to their implementation and effectiveness. The main aim is to assess how the shifting practice of sanctions could impact global trade and investment, particularly in the context of transatlantic cooperation. Additionally, this paper highlights the increasing influence of non-state actors in the global economic landscape.

The growing legal challenges surrounding the adoption and enforcement of sanctions, along with the increasingly visible issue of sanction evasion, are contributing to the fragmentation of the global political economy. I have identified three potential scenarios that could shape the future use of sanctions by the United States and Europe. These scenarios consider how sanctions might be applied in a fragmented global economy and emphasize the need for greater cooperation and awareness between transatlantic partners.

The paper is structured into four main sections. First, I explain what sanctions are and who has the authority to implement them. Second, I discuss the various motivations behind the use of sanctions, providing examples from the United Nations, the United States, the European Union, and other entities. Third, I address three key challenges in the adoption of sanctions. Lastly, I conclude by summarizing my main argument and exploring three scenarios in which the evolving governance of sanctions could impact future trade relations between the U.S. and Europe.

Sanctions from a Contemporary Perspective

Sanctions are actions intended to restrict access to specific benefits for targeted entities. These restrictions can apply to resources that are either irreplaceable, costly to substitute, easily replaceable, or even irrelevant to a particular political process.³ Such resources may not only be economic but also political or reputational, and sanctions can extend to personal freedoms, such as restricting individuals from traveling to European cities for leisure activities.⁴

While economic and financial sanctions are the most widely recognized, sanctions can also

³ Margaret P. Doxey, *International Sanctions in Contemporary Perspective*, London, Macmillan, 1987; Thomas J. Biersteker, Sue E. Eckert and Marcos Tourinho (eds), *Targeted Sanctions. The Impacts and Effectiveness of United Nations Action*, Cambridge, Cambridge University Press, 2016; Francesco Giumelli, *Coercing, Constraining and Signalling. Explaining UN and EU Sanctions after the Cold War*, Colchester, ECPR Press, 2011.

⁴ David Cortright and George A. Lopez (eds), *Smart Sanctions. Targeting Economic Statecraft*, Lanham, Rowman & Littlefield, 2002.

include travel bans, arms embargoes, and other diplomatic measures. Economic sanctions, for example, can involve boycotts of certain goods that are prohibited from being sold or transferred to specific targets. These prohibitions may be comprehensive or involve more targeted restrictions, such as enhanced export checks for dual-use technologies—items that can be used for both civilian and military purposes. A common sanction practice is to place certain products on a dual-use list, requiring authorization (export licenses) from national authorities before they can be exported. In knowledge-based economies, the denial of services, which play a critical role in modern industries, is another significant form of sanction.

Financial restrictions cover a broad spectrum of policies, including the freezing of assets owned or controlled by targeted individuals and the prohibition of financial transfers.

Sanctions can be imposed by a variety of actors within the international system. The most prominent examples include international organizations responsible for maintaining peace and security, such as the United Nations Security Council, and individual states, particularly the United States, as well as more recently, Russia and China. Regional organizations also play a key role in implementing sanctions, either against their own members, as seen with the African Union (AU), or against external entities, like the European Union (EU).⁵

The war in Ukraine has also highlighted the significant role of the private sector in the sanctions landscape. Over one thousand companies chose to withdraw from Russia, even though they were not legally compelled to do so. Similarly, private boycotts have targeted businesses that have expressed support for Israel.⁶

Sanctions are primarily aimed at individuals, companies, and specific economic sectors rather than entire nations. While many recall the comprehensive UN embargo on Iraq in the 1990s following its invasion of Kuwait, it is rare for an entire economy to be subjected to such broad measures today. Modern sanctions tend to focus on individuals directly responsible for problematic policies, such as government officials, mayors, police officers, and individuals who benefit from a regime, like the "Russian oligarchs."

⁵ Elin Hellquist and Stefano Palestini, "Regional Sanctions and the Struggle for Democracy: Introduction to the Special Issue", in *International Political Science Review*, Vol. 42, No. 4 (September 2021), p. 437-450, <https://doi.org/10.1177/0192512120968109>.

⁶ 6 "The App Helping People Boycott Brands Supporting Israel", in *Al Jazeera*, 9 April 2024, <https://aje.io/n70j6g>.

In contrast to the past, where figures like Iraq's Saddam Hussein and Yugoslavia's Slobodan Milošević were sanctioned only after leaving office, it is now common practice to blacklist sitting heads of state and government officials. Examples include North Korea's Kim Jong-un, Syria's Bashar al-Assad, Sudan's Omar al-Bashir, Iran's Ali Khamenei, and, more recently, Russia's Vladimir Putin.

Companies involved in commodities central to the ruling elite's legitimacy or those providing goods and technologies crucial to state functions are also frequent targets of international sanctions. Financial institutions that facilitate trade or benefit key individuals or strategic sectors can also face sanctions. While sanctions may unintentionally affect individuals or groups not directly targeted, efforts are typically made during the design phase to minimize these unintended consequences.

The Triggering Causes of Sanctions

International sanctions are political tools applied in exceptional circumstances, allowing states to bypass the usual norms, conventions, and regulations they would typically follow. Historically limited to critical security issues like war and terrorism, sanctions are now employed to address a wide range of crises and global challenges,⁷ including human rights violations, democracy promotion, institutional strengthening, cyber threats, and organized crime. This demonstrates the flexibility of sanctions and their application in increasingly diverse contexts.

One of the most frequent scenarios in which sanctions are applied is during armed conflicts. Traditionally, sanctions were tied to military campaigns, aiming to disrupt trade and weaken the economies of countries at war. Recent conflicts, such as those in Ukraine and Yemen, have led numerous international actors to impose various restrictions in an effort to curb the violence. In response to Russia's unlawful invasion of Ukraine, the G7+ countries have sanctioned over 2,000 entities in Russia and implemented an "oil price cap" to limit Russia's profits from oil sales on global markets.

Sanctions are also used to address unconstitutional changes in government or state failures. For instance, the African Union (AU) has employed sanctions primarily to address government

⁷ Francesco Giumelli, *Le sanzioni internazionali. Storia, obiettivi ed efficacia*, Bologna, Il mulino, 2023.

overthrows or coups, such as those in Guinea-Bissau and Comoros, with EU support in the latter case. The Economic Community of West African States (ECOWAS) has imposed severe sanctions, akin to total embargoes, on its members, including Burkina Faso, Mali, and Niger, through measures such as trade suspensions and border closures.⁸

After years of inactivity, the UN Security Council recently resumed its use of sanctions to address the institutional collapse in Haiti, where criminal organizations orchestrated a takeover.

These actions reflect a renewed cooperation among global powers to address governance failures in fragile states.⁹

Sanctions can also be employed to support the stabilization of emerging institutions after conflicts or to enforce peace agreements and ceasefires. For example, the UN has imposed restrictive measures to aid international judicial processes, such as those involving the International Tribunals in Lebanon and Sierra Leone. Similarly, the EU has used sanctions during democratic transitions in countries like Egypt, Tunisia, and Ukraine.¹⁰ These measures often include asset freezes and travel bans on former ruling party members to prevent them from undermining new governments or misappropriating public resources.

Human rights violations and international crimes are another major area where sanctions have been frequently applied. While such violations have triggered sanctions in the past, as seen in Rwanda and the former Yugoslavia, a recent notable development is the creation of the "Magnitsky list." Named after the Russian lawyer Sergei Magnitsky, who died in police custody, this sanctions regime represents what is called a "horizontal regime." Under this framework, a permanent sanctions regulation allows governments to blacklist individuals found guilty of violating the core principle of the regime, in this case, human rights.¹¹ Following the U.S. decision to establish a "Magnitsky list," the EU and Canada adopted similar regulations, imposing travel bans and asset freezes on individuals accused of human rights abuses globally.

⁸ Mikael Eriksson, "Supporting Democracy in Africa. African Union's Use of Targeted Sanctions to Deal with Unconstitutional Changes of Government", in FOI Reports, No. FOI-R--3000--SE (2010).

⁹ UN Security Council, Resolution 2653 (2022), [https://undocs.org/S/RES/2653\(2022\)](https://undocs.org/S/RES/2653(2022)).

¹⁰ Thomas J. Biersteker, Sue E. Eckert and Marcos Tourinho (eds), Targeted Sanctions, cit.

¹¹ Charlotte Beaucillon (ed.), Research Handbook on Unilateral and Extraterritorial Sanctions, Cheltenham/Northampton, Edward Elgar, 2021

The non-proliferation of nuclear and chemical weapons is another area where sanctions play a critical role.¹² Multiple rounds of sanctions have been imposed by the U.S., UN, and EU on Iran to prevent the diversion of its nuclear program for military purposes, and on North Korea for its withdrawal from the Nuclear Non-Proliferation Treaty and development of nuclear weapons. The sanctions architecture has grown highly complex, involving numerous economic sectors and actors, with U.S. measures often having extraterritorial effects. This complexity makes it challenging for companies operating in the global financial system to distinguish between targeted and comprehensive sanctions. Financial institutions, in particular, have become cautious about authorizing transactions with sanctioned countries.

The use of chemical weapons has also triggered sanctions, as seen when the EU imposed a horizontal regime following the assassination attempt on Russian opposition leader Alexei Navalny in 2020.

Sanctions are also employed to combat transnational threats such as international terrorism, cyberattacks, illicit drug and human trafficking, and other forms of organized crime. The U.S., along with the UN, EU, and UK, frequently uses sanctions to address lower-intensity security threats, as criminal organizations and terrorist groups often rely on the illegal trade of resources like oil to finance their operations. Sanctions in these contexts are designed to disrupt financial networks and weaken these groups, typically through travel bans and asset freezes targeting specific individuals and organizations involved in these illicit activities.¹³

Sanctions also serve as foreign policy tools aimed at advancing national interests. For instance, the ongoing U.S.-China dispute over semiconductors and emerging technologies escalated into sanctions when the U.S. restricted the sale of advanced chips to China to maintain a strategic technological advantage. The EU is considering similar actions, while China has already retaliated with an export ban on rare earth metals, critical for defense and high-tech products. Additionally, the EU has justified sanctions in cases like Turkey, citing "EU interests" over unauthorized hydrocarbon drilling off Cyprus, which could harm EU economic and strategic

¹² Michael Brzoska, "The Role of Sanctions in Non-Proliferation", in Oliver Meier and Christopher Daase (eds), *Arms Control in the 21st Century. Between Coercion and Cooperation*, London/New York, Routledge, 2013, p. 123-145.

¹³ Chris Miller, *Chip War. The Fight for the World's Most Critical Technology*, New York, Scribner, 2022.

interests.¹⁴

Evolving Challenges from Sanctions Implementation

As global interconnectivity and complexity increase, the dynamics of international sanctions have transformed, leading to various new challenges. This section examines the contemporary issues confronting international sanctions, emphasizing the rising influence of non-state actors, legal complications arising from the intersections of public and private sectors, and the need for extensive coalitions to counteract circumvention efforts.

Growing role of non-state actors

Targeted sanctions require a deep ¹⁵understanding and knowledge of both the society where the targets are located and their whereabouts. This information is not always in the hands of the governments that need to compile the lists, and therefore competent authorities seek collaboration with actors who have more information. Intermediaries such as financial institutions, shipping companies, as well as experts such as accountants and lawyers consequently gain a prominent role in sanctions implementation.¹⁶ Financial institutions could have the necessary information to identify (and hopefully timely block) transactions aimed at purchasing material to plan terrorist attacks. Shipping companies and insurance firms may have a clearer view of the network(s) that could serve the purposes of targeted individuals and companies. And individual experts provide technical expertise and advice.

There has been a *de facto* delegation of authority from state to non-state actors in the implementation of sanctions that deserves further investigation.¹⁷ Firms and companies have the responsibility of assessing the risks associated with certain transactions. They do not have full and perfect information about the whereabouts of the targets and targeted sectors they deal

¹⁴ Francesco Giumelli, Fabian Hoffmann and Anna Książczaková, "The When, What, Where and Why of European Union Sanctions", in *European Security*, Vol. 30, No. 1 (2021), p. 1-23, <https://doi.org/10.1080/09662839.2020.1797685>.

¹⁵ Francesco Giumelli and Michal Onderco, "States, Firms, and Security: How Private Actors Implement Sanctions, Lessons Learned from the Netherlands", in *European Journal of International Security*, Vol. 6, No. 2 (May 2021), p. 190-209, <https://doi.org/10.1017/eis.2020.21>; Anja P. Jakobi, "Non- State Actors and Global Crime Governance: Explaining the Variance of Public-Private Interaction", in *The British Journal of Politics and International Relations*, Vol. 18, No. 1 (February 2016), p. 72-89, DOI 10.1111/1467-856X.12064; Oldrich Bures and Helena Carrapico (eds), *Security Privatization. How Non-Security-Related Private Businesses Shape Security Governance*, Cham, Springer, 2018.

¹⁶ Michael Levi, "Lawyers as Money Laundering Enablers? An Evolving and Contentious Relationship", in *Global Crime*, Vol. 23, No. 2 (2022), p. 126-147, <https://doi.org/10.1080/17440572.2022.2089122>.

¹⁷ Francesco Giumelli and Michal Onderco, "States, Firms, and Security", cit.

with and need to engage in constant due diligence. For instance, the ultimate beneficial owner of a payment is not always evident from the information provided in a payment request, therefore it is up to a bank to assess whether the transaction is likely to be hiding an attempt at circumvention. The provision of a service or dual-use equipment, once again, could end up supporting the development of a nuclear programme or boosting the repressive capacity of a military regime. The service/equipment provider is therefore responsible for investigating the nature and intentions of the buyer.

In today's interconnected world, non-state actors such as terrorist organisations, transnational criminal networks and rogue entities operate across borders, exploiting legal loopholes and utilising sophisticated financial networks to evade sanctions. One prominent example is the case of terrorist financing, where organisations like the Islamic State (ISIS) and Al-Qaeda have exploited global financial systems to fund their operations. Despite concerted efforts by the international community to disrupt their funding, these groups have continued to adapt, utilising cryptocurrency, money laundering and illicit trade to evade detection. Similarly, transnational criminal networks engaged in drug trafficking, human trafficking and arms smuggling pose significant challenges to the effectiveness of international sanctions, especially because their services are offered to targets to circumvent the sanctions themselves. These criminal enterprises operate with agility, leveraging technology and exploiting regulatory gaps to circumvent sanctions regimes. Furthermore, the proliferation of alternative financial channels, including cryptocurrency, offshore banking and informal trade networks has enabled sanctioned entities to bypass traditional banking channels and evade detection. These illicit channels provide avenues for money laundering, terrorist financing, and procurement of prohibited goods, undermining the effectiveness of sanctions regimes.

In sum, non-state actors affect not only sanctions outcomes, but also the shape of supply chains and investment flows if they plan to avoid risks for sanctions compliance requirements in the future.

The extension of sovereignty through sanctions

One of the key emerging trends in sanctions governance is the increasing attempts by governments to extend the effect of domestic legislations beyond their own borders. This is driven by multiple causes, but one of the main ones is certainly the frustration of governments to see sanctions circumvention flourishing thanks to the differences of legal frameworks in

place in various countries. In order to counter that, governments have increasingly decided to punish violators of their own laws even when actions are committed outside of their own territory. The central, and ever more present, role of firms and companies in implementing sanctions has been an easy way for national authorities to enhance sanctions effectiveness, *de facto* extending the long arm of their bureaucratic reach well beyond their boundaries. This novelty fundamentally changes the way international markets work. While firms could count on the geographical location of one operation to predict what to expect, they could be now caught between opposite requests from competing national authorities. In many cases, businesses may be subject to conflicting legal requirements, with one jurisdiction imposing sanctions while another mandates compliance with commercial contracts or data protection laws. Firms and companies will have, then, decide ‘which side to pick’ in a sanctions’ context.

This reduces the efficiency of international institutions and it increases the uncertainty over the impact that sanctions can have on targets and on the outcome of international crises.

The extraterritorial reach of certain sanctions regimes, particularly those imposed by powerful states such as the United States, has raised concerns about sovereignty and jurisdictional overreach.¹⁸ The imposition of secondary sanctions targeting foreign entities engaged in business with sanctioned countries has elicited objections from allies and trading partners, further complicating the legal landscape.

The United States started to implement and enforce sanctions violations beyond their own territory in the 1990s, but this approach has been also mimicked by other sanctioning actors. Recently, the EU seems to have embarked on a similar path with regard to sanctions circumvention in the case of Russia. This is even more telling given the EU’s strong criticisms of US extraterritorial sanctions over time as demonstrated by the sanctions imposed on the United States in 1996 for the cases of Libya and Cuba and the attempt to safeguard the Joint Comprehensive Plan of Action (JCPOA) with the creation of the Instrument in Support of Trade Exchanges (INSTEX) after the Trump Administration decided to leave the agreement. Russia and, especially, China may decide to follow the same path contributing to the uncertainties under which firms and companies operate in international markets.

¹⁸ Arnold Aaron and Daniel Salisbury, “Going It Alone: The Causes and Consequences of U.S. Extraterritorial Counterproliferation Enforcement”, in *Contemporary Security Policy*, Vol. 40, No. 4 (2019), p. 435-458, DOI 10.1080/13523260.2019.1595882.

This context further exacerbates the risks perceived by private stakeholders in determining and deciding their business strategies.

Large coalitions to offset circumvention

The effectiveness of international sanctions hinges on the ability of the enforcing coalition to maintain cohesion and prevent circumvention by targeted entities.²⁴ The recent media coverage of increased export flows towards, for instance, Turkey or central Asian countries have caught the attention of many to the point that sanctions are deemed useless. However, whereas many would consider sanctions ineffective because it is easy to circumvent,¹⁹ the 'original sin' is not to be found in sanctions, but in the failed diplomatic attempt to create a large coalition that would make sanctions more impactful. In other words, as sanctions regimes become more complex and multilayered, being able to rely on large coalitions willing to collaborate is an essential component of a sanctions' strategy.

A major challenge is the establishment of a broad coalition of countries that can consistently and effectively enforce sanctions. Differences in national interests, economic dependencies, and geopolitical rivalries frequently hinder the creation of these coalitions, enabling targeted entities to take advantage of enforcement gaps and inconsistencies. Moreover, the increasing uncertainties experienced by the private sector, along with the growing discrepancies in states' interests, contribute to a collective action problem that impacts not only the security landscape but also gradually influences the economic situation, as illustrated in the scenarios below.

Conclusions: Three Scenarios Emerging From The Fragmentation Of The Global Economy

The proliferation of sanctions has been a visible phenomenon in the past two decades. This has been made possible by the evolving nature of the instrument, both in terms of who could be targeted and when it would be appropriate to use sanctions. On one hand, targeting individuals, firms, and economic sectors has made sanctions usable towards a much longer list of targets. On the other hand, targeted sanctions are no longer perceived as a radical foreign policy

¹⁹ Brian R. Early, *Busted Sanctions. Explaining Why Economic Sanctions Fail*, Stanford, Stanford University Press, 2015.

measure, which has facilitated their adoption to address crises of lower security profiles such as human rights, democracy promotion, and organised crime.

The extensive use of sanctions, also known as the weaponisation of interdependence, can play an important role in shaping the future of globalisation. We can envision three scenarios.

The first scenario is that the proliferation of sanctions could contribute, if not determine, the fragmentation of the global economy. The extensive use of extraterritorial sanctions, possibly by several actors of the international system, can contribute to a business climate that is dependent on politically sensitive risk assessments. Given the depth of sanctions policies seen in the last two decades, offshoring decisions are now being replaced with decisions to relocate to nearby areas (nearshoring) or to friendly countries (friendshoring). This means that businesses decide to invest primarily in those countries that would have a low chance of being concerned with sanctions compliance requirements. This process started with the US extraterritorial application of sanctions, but the decisions of the EU and China, among others, to pursue similar sanctions strategies are likely to make the situation even more complicated. The fragmentation would be a consequence of increased confrontation across major political actors; therefore, more coordination would be likely between the United States and Europe, and trade relations would occur mostly within blocs with chokepoints across them.

The second scenario is one where sanctions may continue as they are now, but the fragmentation process would either not take place or be a very slow transition that would not critically affect the risk assessment of trade and investment relations. The United States would continue to play a central role in the sanctions landscape, which would be met with pockets of resistance from other major actors of the international system, including but not limited to the European Union. In this scenario, for instance, we could also see more attempts to explore alternative financial payment systems, such as digital currencies and credit card payment systems, but diverging interests would fail to produce a coherent front and provide an alternative to the existing financial and economic architecture of the global economy.

Finally, a third, more optimistic scenario would be one where the major actors of the international system, namely the United States, Europe, and China, would find a new agreement over the key principles upon which the international system would be based (i.e., non-intervention, fundamental rights, etc.). The 'new world order' would certainly affect

sanctions, and a shared understanding of when it would be possible to use them. Investment decisions would consequently incorporate it, and it would be expected that sanctions should not play a key role in assessing the risk of engaging in trade relations with other parties elsewhere.

In any scenario, national competent authorities need to enhance coordination and build more capacities to reduce the delegation of authority towards the private sector. At a political level, like-minded governments should be able to overcome their differences and agree on timing and listing decisions about sanctions. For instance, even the lists of Russian individuals targeted by US, UK, and EU authorities do not overlap, which creates opportunities for sanctions circumvention.²⁰ A coordinated effort should also occur on the monitoring and enforcement side of the story. The vast adoption of sanctions against Russia brought the circumvention problem back on the table of public regulators and we have seen unprecedented moves also from European Institutions. For instance, the notable examples are the EU Freeze and Seize Task Force set up by Eurojust²¹ and some coordinated initiatives to investigate sanctions evasion jointly at the international level.²² However, circumvention techniques are still known and too little has been done to tackle the problem.

Additionally, there is a strong collective action problem that is caused by excessive delegation of authority from governments to the private sector. Non-state actors need to make substantive decisions about targets, but they lack the necessary information, which needs to be collected independently from both state authorities and other private actors. Thus, for instance, a bank has to perform the same due diligence than other banks over a customer that is approaching them at the same time. This duplication of tasks is structural and very inefficient, so public authorities should investigate ways to address this issue. Additionally, non-state actors also lament the lack of transparency of the public decision-making process, which further increases the uncertainties in making export-oriented decisions, whether they are related to trading or investing.

²⁰ Stephanie Baker and Tom Maloney, “Half of Russia’s 20 Richest Billionaires Are Not Sanctioned”, in Bloomberg, 30 March 2022, <https://www.bloomberg.com/graphics/2022-russian-billionaires-sanctioned-ukraine-war>.

²¹ Eurojust website: EU Freeze and Seize Task Force, <https://www.eurojust.europa.eu/eu-freeze-and-seize-task-force>.

²² “Netherlands Arrests Three for Illegal Exports to Russia”, in Reuters, 23 January 2024, <https://www.reuters.com/world/europe/netherlands-arrests-three-illegal-exports-russia-2024-01-23>.

The extensive utilisation of targeted sanctions has affected the landscape of the global political economy and is likely to be a realm where major global powers confront each other. At the same time, the frequent adoption of restrictive measures requires further coordination among governments and poses serious legal challenges to the way in which international markets function every day. We ought to continue monitoring the situation to assess whether sanctions could become a driver of cooperation or conflict in the next decade.

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