

# H-Diplo | Robert Jervis International Security Studies Forum

## Roundtable Review 16-19

Agathe Demarais. *Backfire: How Sanctions Reshape the World against U.S. Interests*, Center on Global Energy Policy Series. (Columbia University Press, 2022).

20 December 2024 | PDF: <https://issforum.org/to/jrt16-19> | Website: [rjissf.org](http://rjissf.org) | X: @HDiplo

Editor: Diane Labrosse  
Commissioning Editor: Joshua Shifrinson

Production Editor: Christopher Ball  
Pre-Production Copy Editor: Bethany Keenan

### Contents

---

Introduction by Bruce W. Jentleson, Duke University .....	2
Review by Emma Ashford, Stimson Center .....	6
Review by Daniel W. Drezner, Tufts University .....	10
Review by Daniel McDowell, Maxwell School of Citizenship & Public Affairs, Syracuse University .....	14
Response by Agathe Demarais, European Council on Foreign Relations .....	19

---

Introduction by Bruce W. Jentleson, Duke University

---

It is hard to browse the news without seeing reports on yet another wielding of economic sanctions. The United States currently has various forms of sanctions against over 30 countries as well as over 15,000 “specially designated” companies and individuals. The European Union has its own list, not as long as the US but longer than in the past. So too the United Kingdom. The United Nations, which only imposed sanctions four times in its first two decades (1945–1965), has done so over 40 times since. China, long the target of Western sanctions, has become a frequent sanctioner in its own right, some officially promulgated by the Beijing government against other countries and others more informally cued for social media outrage and consumer boycotts (e.g., in 2019 against the National Basketball Association over pro-Hong Kong demonstration tweets).<sup>1</sup>

While this broader global and comparative context is important, the focus on the US that Agnes Demarais’ *Backfire: How Sanctions Reshape the World Against U.S. Interests* provides is especially so. One study had the US as the sanctions sender state in 69 percent of the cases, another at 52 percent. “The go-to solution for nearly every foreign policy problem,” as one analyst critiqued; “a Swiss army knife with a ready attachment just right for any foreign policy challenge,” as another colorfully put it.<sup>2</sup> Recent American presidents have varied somewhat in how and why they used sanctions, but all have used them with great frequency.

Having served as a senior policy advisor for the French Treasury in Moscow when sanctions were imposed over Russia’s annexation of Crimea, and then in Beirut, from where she followed US sanctions against Lebanon as well as a number of other Middle East countries, most particularly Iran, Demarais brings valuable policy experience and expertise to the book. On top of this, since leaving government she has been a senior policy analyst at the Economist Intelligence Unit (EIU) and the European Council on Foreign Relations.

Her book makes what my reviewer colleagues, Emma Ashford, Dan Drezner, and Daniel McDowell, see as five main contributions albeit with some concerns raised within them.

The case studies that Demarais develops are much richer than scholars tend to provide. The details on Iran, North Korea, Russia and other cases add greater depth and texture than the summary case analyses in my own book and other scholarly works. “Engaging case studies” that make the book “an eminently accessible primer on the current state of economic statecraft,” Ashford observes. As Drezner points out, Demarais misses opportunities to situate the cases more in the scholarly literature in ways that would have enhanced her analysis. The same can be said of the discussion of sanctions evasion without a discussion of Bryan Early’s work.<sup>3</sup>

---

<sup>1</sup> Bruce W. Jentleson, *Sanctions: What Everyone Needs to Know* (Oxford University Press, 2022), 2.

<sup>2</sup> Cited in Jentleson, *Sanctions*, 75-76.

<sup>3</sup> Bryan Early, *Busted Sanctions: Explaining Why Economic Sanctions Fail* (Stanford University Press, 2015).

“Backfire” is the title and the main argument, which is particularly well developed in section 2, “Sanctions Crossfire,” of the book. McDowell praises the book as having provided “a service for scholars and policymakers alike” in focusing on “the various unintended consequences that US sanctions generate.” I confess to a similar penchant for the “-fire” terminology: my own book develops a fourfold framework of backfiring (effects counterproductive to the intended target state policy change), misfiring (humanitarian effects of hitting the populace not just the regime), cross-firing (negative effects on third party states that are allies or partners of the sanctioner), and shooting-in-the-foot (self-inflicted costs from forgoing trade and other economic interests with the target).<sup>4</sup> But while throughout her book Demarais cites examples of how US policymakers failed to weigh the gains that sanctions make against the costs they incur, she dismisses building net assessment into the policy process as “crystal ball, fortune telling” (38-39). She delineates some factors also identified in other studies as consistently affecting sanctions success (39-43); for example, broad support among American allies and limited objectives like policy change not regime change. “Fast or never” (39), that sanctions need to work relatively quickly, fits cases like Cuba but not the South Africa anti-apartheid sanctions which took a long time to be successful. Other work—conceptual, methodological, empirical— could also have been drawn on for reasonably reliable pre-assessment of likely impacts.

All three reviewers stress that the book’s private sector perspective is a real strength, and one that Demarais is especially qualified to bring. “Over the past two decades,” chapter 5 starts out, “U.S. sanctions have become a major concern for international businesses: companies fear that they could inadvertently fall foul of sanctions and become liable to astronomical fines or lawsuits in the United States” (67). Demarais well differentiates among extraterritorial sanctions, secondary sanctions, and other permutations that often get lumped together. Cases like the French oil and gas company Total in Iran are especially well told, as are the data-rich discussion of the growth of compliance divisions of major corporations and the growth in Washington-based law firms specializing in navigating sanctions regulations.

The reviewers agree that the book’s broader economic perspective is another special value. Sections such as the one on the sanctions against the Russian company Rusal and the boomeranging effects on global bauxite-aluminum markets (87-98) provide important detail and analysis both for understanding these sanctions per se and showing the value of analytically situating sanctions in global markets. Chapter 10 on cases like Huawei and export controls and US-China technological competition lives up to the chapter subtitle “Why Decoupling from China Would Backfire.” Still, the reviewers note that how much these and other dynamics in fact “Reshape the World Against U.S. Interests,” as per the book’s subtitle, is debatable. “The over-use of sanctions,” Demarais states at the outset, “is fueling resentment against Washington around the world, leading U.S. friends and foes alike to rethink their ties to America and find alternative avenues for doing business” (x). But while there is plenty of resentment, experiences like Europe’s with the Instrument in Support of Trade Exchanges (INSTEX) that sought to counter the Trump administration’s reimposition of Iran sanctions did not amount to much of an alternative avenue; it was “clever on paper,

---

<sup>4</sup> Jentleson, *Sanctions*, 24-25.

but [had] serious flaws” as she writes (136). Drawing on his own work on financial sanctions, McDowell questions whether the de-dollarization threat is overstated here. Drezner makes a similar point in his review and has at greater length in his other work. And while the Henry Farrell-Abraham Newman weaponizing interdependence work reinforces Demarais’ argument in some respects, its emphasis on US centrality to key global economic networks reduces vulnerability to the world being reshaped against American interests.<sup>5</sup>

Finally, the reviewers argue that while the book’s critique of American sanctions policy is strong and solid, not much is offered in terms of alternative policy options. If not sanctions, what other strategies should the US use? Given the systematic nature of the critique some policy guidance would have been valuable.

Sanctions will continue to pose puzzles for scholars and challenges for policymakers. Agathe Demarais’ *Backfire* is an important contribution to finding more answers and better strategies.

### Contributors:

**Agathe Demarais** is a Senior Policy Fellow for Geoeconomics at the European Council on Foreign Relations (ECFR). Before joining ECFR, she was the Global Forecasting Director of the Economist Intelligence Unit (EIU) and a senior French Treasury official.

**Bruce W. Jentleson** is William Preston Few Professor of Public Policy and Professor of Political Science at Duke University as well as Global Fellow at the Woodrow Wilson International Center for Scholars and Non-Resident Senior Fellow at the Chicago Council on Global Affairs. Relevant work includes *Sanctions: What Everyone Needs to Know* (Oxford University Press, 2022) and *Pipeline Politics: The Complex Political Economy of East-West Energy Trade* (Cornell University Press, 1986). He also worked on sanctions cases and strategy while serving in the Clinton and Obama State Departments.

**Emma Ashford** is a Senior Fellow with the Reimagining US Grand Strategy program at the Henry L. Stimson Center and a Non-Resident Fellow at the Modern War Institute at West Point. Her first book, *Oil, the State, and War: The Foreign Policies of Petrostates*, was published by Georgetown University Press in 2022, and explored the security ramifications of oil production and export in states such as Russia, Saudi Arabia, Iran, and Venezuela. A term member of the Council on Foreign Relations, Ashford holds a PhD in Foreign Affairs from the University of Virginia.

---

<sup>5</sup> Henry Farrell and Abraham Newman, “Weaponized Interdependence; How Global Economic Networks Shape State Coercion,” *International Security* 44:1 (2019): 42-79, [https://doi.org/10.1162/isec\\_a\\_00351](https://doi.org/10.1162/isec_a_00351); Farrell and Newman, *Underground Empire: How America Weaponized the World Economy* (Henry Holt, 2023)

**Daniel W. Drezner** is Professor of International Politics at the Fletcher School of Law and Diplomacy at Tufts University and a Nonresident Senior Fellow at the Chicago Council on Global Affairs. He is the author of *The Ideas Industry: How Pessimists, Partisans, and Plutocrats are Transforming the Marketplace of Ideas*, published by Oxford University Press in 2017.

**Daniel McDowell** is Associate Professor of Political Science at the Maxwell School of Citizenship and Public Affairs at Syracuse University and a Non-Resident Senior Fellow at the Atlantic Council's GeoEconomics Center.

The United States is, as the *New York Times* once pithily described it, “the only sanctions superpower.”<sup>1</sup> The country is the world’s primary purveyor of sanctions, imposing so many that from 2017–2020, the US government issued an average of four new designations every working day. Yet as Agathe Demarais notes in her new book, the US government itself admits it “does not know whether existing sanctions programs work, and what effects they have” (60).

*Backfire* does not answer the confounding question of why policymakers pursue the use of sanctions despite their questionable effectiveness and many negative side effects. But what the book does provide is an eminently accessible primer on the current state of economic statecraft, with engaging case studies that show the practical impact of sanctions on businesses, economies, and geopolitics. In this, Demarais’s book continues a very welcome trend in the literature on sanctions: away from impenetrable methodologically complex statistical analyses of the utility of sanctions and towards more practical exploration of the issues raised by the growing use of economic coercion by the United States and its competitors.<sup>2</sup>

The book offers a variety of interesting case studies on the real-world political process through which sanctions come to be implemented and their outcomes. In this, it benefits significantly from the time in which it was published. Because Demarais’s narrative covers the sweep of sanctions from the 1990s to today, she is able to capture both the initial successes of financial sanctions (i.e., their role in the negotiation of the Iranian nuclear deal), the impetus that these successes gave to the further use of complex financial sanctions (i.e., the sectoral sanctions that emerged after the 2014 Russian seizure of Crimea), and then the past decade of shifting ground, accelerating sanctions use, and the growing understanding that they may not be working as intended.

The book focuses primarily on the use of sanctions by the United States, which is a sensible choice given the peculiar centrality of the United States in global economic networks and its resultant path-breaking role in the development of modern financial sanctions.<sup>3</sup> Though much of the literature on sanctions uses cross-

---

<sup>1</sup> Henry J. Farrell and Abraham L. Newman, “The U.S. Is the Only Sanctions Superpower. It Must Use That Power Wisely,” *The New York Times*, 16 March 2022, <https://www.nytimes.com/2022/03/16/opinion/us-russia-sanctions-power-economy.html>.

<sup>2</sup> Özgür Özdamar and Evgeniia Shahin, “Consequences of Economic Sanctions: The State of the Art and Paths Forward,” *International Studies Review* 23:4 (2021): 1646–1671, <https://doi.org/10.1093/isr/viabo29>; Peter A. G. Van Bergeijk, “Introduction to the Research Handbook on Economic Sanctions,” in *Research Handbook on Economic Sanctions*, ed. Peter A.G. Van Bergeijk (Edward Elgar Publishing, 2021), 1–24; <https://doi.org/10.4337/9781839102721.00006>.

<sup>3</sup> Farrell and Newman, *Underground Empire: How America Weaponized the World Economy* (Henry Holt and Company, 2023); Daniel W. Drezner, “Targeted Sanctions in a World of Global Finance,” *International Interactions* 41:4 (2015): 755–764, <https://doi.org/10.1080/03050629.2015.1041297>; Drezner, Farrell, and Newman, eds., *The Uses and Abuses of Weaponized Interdependence* (Brookings Institution Press, 2021).

national data, a good case can be made that the United States is both quantitatively and qualitatively distinct when it comes to sanctions. In its narrative, *Backfire* serves to highlight the nuance in a number of important points about the American use of sanctions.

American centrality and leverage in sanctions has been explored elsewhere,<sup>4</sup> for example, but Demarais shows that even financial centrality cannot fully explain the intricacy of US sanctions, which are often ingenious, relying on specific areas of US leverage to take effect. In Venezuela, for example, initial financial sanctions were largely ineffective. But the ingenuity of US sanctions designers led them to identify a specific chemical nuance: the fact that Venezuela's crude oil exports were too heavy to transport through pipelines without being blended with lighter US crude. By cutting off Venezuela's access to that lighter crude through sanctions, the United States was able to significantly undermine the Venezuelan regime's ability to profit from its oil sales (54). Unlike dollar dominance or the centrality of US financial institutions, this kind of narrow, situational leverage could in theory be open to a much wider set of countries.

Another concern that Demarais's book highlights is the role of third parties, and the fact that sanctions increasingly have to be thought of as part of a global networked system rather than a simple strategic interaction between sender and target. Research has long shown that whether sanctions are multilateral (i.e., whether they are widely enforced) is one of the key factors that can make them more or less effective.<sup>5</sup> But what the case studies highlight here is the incentive structures underlying those decisions by third parties. Sanctions can hurt third-party countries very easily, something we have seen all too well in the last year, when sanctions on Russian entities ended up worsening food shortages in some parts of the developing world.<sup>6</sup> These countries, in turn, were less likely to support either economic or diplomatic criticism of Russia. In practice, the upshot is that there are countries against which sanctions may be effective and countries where it is highly unlikely that they will ever be effective; the role of third parties is critical in determining which is which.

Likewise, *Backfire* highlights effectively the role of the private sector in the sanctions endeavor. Banks, financial institutions, and insurance providers are the mechanism through which most financial sanctions actually work; these are the Western companies over which the US and its allies have control, or at least leverage in the form of access to the dollar. But these companies are also independent actors with their own incentives and risk assessment. Demarais tells the story of Total, the French energy giant, and its involvement in Iran over time as sanctions were implemented, removed, reimposed, and strengthened.

---

<sup>4</sup> Farrell and Newman, "Weaponized Interdependence: How Global Economic Networks Shape State Coercion," *International Security* 44:1 (2019): 42-79, [https://doi.org/10.1162/isec\\_a\\_00351](https://doi.org/10.1162/isec_a_00351).

<sup>5</sup> Navin A. Bapat and T. Clifton Morgan, "Multilateral Versus Unilateral Sanctions Reconsidered: A Test Using New Data," *International Studies Quarterly* 53:4 (2009): 1075-1094, <https://doi.org/10.1111/j.1468-2478.2009.00569.x>; Bapat et al., "Determinants of Sanctions Effectiveness: Sensitivity Analysis Using New Data," *International Interactions* 39:1 (2013): 79-98, <https://doi.org/10.1080/03050629.2013.751298>.

<sup>6</sup> Alan Rappeport, "Global Food Crisis Tests Western Resolve to Retain Russia Sanctions," *The New York Times*, 27 June 2022, <https://www.nytimes.com/2022/06/27/business/russia-food-crisis-sanctions.html>.

Even the relatively risk-tolerant leaders of that company wound up largely divesting from the Iranian assets, a story which highlights one of the biggest problems with today's sanctions: they cannot simply be lifted by governments. Instead, they can only be lifted by companies who do not fear their reimposition. The incentive structures here are out of whack. As Demarais points out, “the threat real or perceived of US sanctions...has become a key factor influencing global business strategies” (12).

Indeed, the focus on the actual companies and individuals on whom sanctions blow back is a welcome and refreshing part of the book. The author discusses not just companies, but the people whose jobs are impacted by these sanctions, like the people who live in small German port town of Mukran, whose job prospects were heavily dependent on whether the Nord Stream II pipeline could be completed (146). There are costs to American manufacturing: sanctions can make American exports in certain sectors less competitive, as foreign companies fear that the use of American technology will make them more vulnerable to sanctions in the future. These are the victims who are caught in the backfire of sanctions, which can kill companies and could even damage whole sectors of the American economy if policymakers are insufficiently cautious about their targets.

Then there is the question of US allies. Chapter 7 explores the history of US-European contestation over sanctions, something that looks set to return to the fore if there is a change in US administration in 2025. Thus far, as Demarais emphasizes, European efforts to blunt the force of US sanctions through mechanisms like the Instrument in Support of Trade Exchanges (INSTEX), which is a barter-based system designed to allow sanctions-proof trade with Iran, or even the EU's newly minted “anti-coercion” (105) law have been relatively unsuccessful. But how long can Europeans continue to abide by US sanctions when they may have such a significant impact on European economies? Will this weaken US dollar dominance over time? Will targeted financial and sectoral sanctions slowly morph into broad-based embargoes, as happened during World War I?<sup>7</sup> Like other recent studies,<sup>8</sup> *Backfire* in many ways describes a slow, steady process that could impact US economic dominance over time, even if today, there are few obvious alternatives.

The book is perhaps weakest in discussing the impacts of these shifts. What would be the actual impact on the US economy of the loss of access to sanctions leverage—or of the slow diminution of dollar dominance? Though often portrayed as potentially catastrophic, it could also be that policymakers will simply lose access to the sanctions tool. And in that case, does overuse of sanctions simply mean that they cannot be used later? That is a very different trade off than the potential risk of significant economic damage later.

Despite that—and although the author herself explicitly states that she neither opposes nor supports sanctions unequivocally—the overall picture she presents is damning. Sanctions can do some economic damage, and in extreme cases, with significant multilateral support, they can compel modest policy change. But overtime, partly because of the failures of US policymakers to credibly remove sanctions and partly due

---

<sup>7</sup> Nicholas Mulder, *The Economic Weapon: The Rise of Sanctions as a Tool of Modern War* (Yale University Press, 2022).

<sup>8</sup> Daniel McDowell, *Bucking the Buck: US Financial Sanctions and the International Backlash against the Dollar* (Oxford University Press, 2023).



to the growth influence of other actors around the world, the prospect of successful sanctions appears to be diminishing.

Perhaps the most interesting part of the book is its implicit answer to big question of how, despite all these manifold flaws, US policymakers will continue to feed their insatiable appetite for sanctions. *Backfire* concludes with a discussion that links the new generation of export controls to sanctions, painting them as part of a continuation of America's strategy to find nodes of economic or technological control and use them for leverage. In this, the book makes similar points to the almost simultaneously-published *Underground Empire* by Henry Farrell and Abe Newman: both works suggest that policymakers, who remain undeterred by the failures of sanctions, are looking for other ways to leverage US tech or financial dominance.<sup>9</sup>

The process of developing these export controls, as Demarais describes it, looks remarkably similar to the sanctions story: semiconductor export controls appeared to be a promising economic lever for US policymakers to use against China,<sup>10</sup> but it was not long before officials had to look for ways to apply that pressure against US allies and partners as well in order to strengthen the restrictions. Thus far, the export controls have mostly served to encourage China to enhance its own nascent semiconductor industry.<sup>11</sup> If export controls are the future of economic coercion, then it is a future that looks remarkably similar to the sanctions of the past.

In short, *Backfire* is an interesting and engaging read, one that should be of interest to anyone looking at the policy ramifications and future of US economic coercion—or anyone who wants to understand the mess that sanctions have created over the last few decades.

---

<sup>9</sup> Farrell and Newman, *Underground Empire*.

<sup>10</sup> Chris Miller, *Chip War: The Fight for the World's Most Critical Technology* (Scribner, 2022).

<sup>11</sup> Arjun Kharpal, "China's Chip Equipment Firms See Revenue Surge as Beijing Seeks Semiconductor Self-Reliance," *CNBC*, 28 September 2023, <https://www.cnbc.com/2023/09/28/chinas-chip-firms-see-revenue-surge-as-beijing-seeks-self-reliance.html>.

Saying that the United States relies on economic sanctions in its twenty-first century foreign policy is like saying that human beings rely on oxygen to breathe. At present, the US Office of Foreign Assets Control lists 39 ongoing sanctions efforts on its website.<sup>1</sup> Some of these programs are targeted at specific countries, ranging from Afghanistan to Zimbabwe. Other sanctions are issue-specific, such as those measures designed to aid in counter-narcotics, counter-terrorism, and halting the trade in conflict diamonds. The United States sanctions a lot, and yet there is little consensus on their utility as an instrument of statecraft. US policymakers have expressed enthusiasm and confidence that they work,<sup>2</sup> and yet a US Government Accountability Office (2019) recently acknowledged that the departments of State, Commerce, and the Treasury do not conduct assessments of whether sanctions really work.<sup>3</sup> This does not exactly inspire confidence in the utility of this tool.

While the Trump administration was particularly enthusiastic about sanctions,<sup>4</sup> the Biden administration has been even more prolific. Despite issuing a report in 2021 in which the US Treasury acknowledged an excessive reliance on sanctions, the Biden team has not been able to quit them. In the past two years, the United States has dramatically ramped up sanctions against Russia and export controls against China without any additional insight into whether these attempts at economic coercion will achieve their goals. Without anyone intending this outcome, sanctions have become the Oxycontin of American foreign policy.

The need has never been greater for a book to zoom out, map the current sanctions terrain, and assess the strategic pros and cons of all this economic statecraft. With *Backfire*, Agathe Demarais, who worked for the French Treasury as a sanctions advisor on Russia and Lebanon before moving onto the Economist Intelligence Unit (EIU) and becoming its global forecasting director, attempts to provide a coherent state of play characterizing US sanctioning activity and its myriad downsides. The result is something of a muddle, however. Demarais claims in the preface that “this book is not for or against sanctions (xii)” but declares in the conclusion that “the time of peak US sanctions has passed (200).” The bulk of the pages in between are dedicated to the proposition that the US has abused the sanctions tool to the point where it has alienated allies and adversaries alike.

*Backfire* makes a credible case that US sanctions will face more frictions in the future, as the increase in US economic coercion generates negative feedback cross the globe. If heavily sanctioned actors are good at one thing, it is finding ways to work around those sanctions. Demarais demonstrates this by discussing the

---

<sup>1</sup> See “Sanctions Programs and Country Information,” US Department of the Treasury Office of Foreign Assets Control, <https://ofac.treasury.gov/sanctions-programs-and-country-information>.

<sup>2</sup> Juan Zarate, *Treasury's War* (PublicAffairs, 2013); Robert Blackwill and Jennifer Harris, *War by Other Means* (Harvard University Press, 2016); Richard Nephew, *The Art of Sanctions* (Columbia University Press, 2017).

<sup>3</sup> U.S. Government Accountability Office, “Economic Sanctions,” GAO-20-145, 2 October 2019.

<sup>4</sup> Daniel W. Drezner, “Economic Statecraft in the Age of Trump,” *The Washington Quarterly* 42:3 (2019): 7-24.

myriad methods that North Korea has employed to evade sanctions. She further argues that sanctioned nations like Russia and China are reducing their reliance on the dollar. They have diversified away from the dollar in their central bank holdings. They have also developed alternative payment and settlement systems to reduce their need for SWIFT, the nonprofit bank messaging system headquartered in Belgium. Meanwhile, allies like Japan and the European Union chafe at US-led export controls. From the days of the Cold War on, US partners have viewed these measures as a stalking horse for US trade policy. The US went so far as to sanction Western European firms in 1982 over the construction of the Soviet gas pipeline, in the process creating an enormous conflict with NATO allies. As Demarais warns, “fast-forward 40 years later, to the late 2010s; the quarrel over Nord Stream 2 looks like a repeat of the 1982 dispute (106).” Demarais suggests that excessive sanctions pose a risk to the US dollar’s standing as the global reserve currency.

Even as the international environment has become less favorable for US sanctions, the federal government has become less adept at wielding this instrument of statecraft. According to Demarais, congressional enthusiasm for sanctions has increased the use of the tool while hamstringing the ability of presidents to engage in coercive bargaining. A related problem is the waning ability of presidents to credibly commit to lifting sanctions if the targeted actor acquiesces. Demarais explains that “sanctions work only if sanctions relief represents a credible option. If targeted countries know that the lifting of penalties will not deliver fast and tangible benefits, they have no reason to alter their behavior (65).” In Demarais’s assessment, US sanctions tend to be tied to ambitious but unclear demands, the perfect recipe to produce recalcitrant targets. This leads her to conclude that the golden age of US sanctions is now past.

In making all of these points, *Backfire* occupies well-trodden ground. The renaissance of sanctions scholarship in the past decade or so has made similar points. Multiple recent literature reviews have suggested that the utility of sanctions has been exaggerated.<sup>5</sup> Other scholars have highlighted the credible commitment challenges of US sanctions,<sup>6</sup> and the role of Congress in escalating the use of sanctions has also been discussed.<sup>7</sup>

So what is the value-added of *Backfire*? Demarais’s narrative brings a wealth of eye-catching detail to sanctions cases past and present. Her discussion of the North Korea case is filled with examples of how that country is finding ways to evade sanctions. *Backfire* also excels in describing the costs that sanctions impose on global finance; for many banks, more than fifteen percent of their personnel work in the compliance

---

<sup>5</sup> Dursun Peksen, “When Do Imposed Economic Sanctions Work? A Critical Review of the Sanctions Effectiveness Literature,” *Defence and Peace Economics* 30:6 (2019): 635-647; Bryan Early and Menevis Cilizoglu, “Economic Sanctions in Flux: Enduring Challenges, New Policies, and Defining the Future Research Agenda,” *International Studies Perspectives* 21:4 (2020): 438-477.

<sup>6</sup> Esfandyar Batmanghelidj and Mahsa Rouhi, “The Iran Nuclear Deal and Sanctions Relief: Implications for US Policy,” *Survival* 63:4 (2021): 183-198; Daniel W. Drezner, “How Not to Sanction,” *International Affairs* 98:5 (2022): 1533-1552.

<sup>7</sup> Jordan Tama, “Forcing the President’s Hand: How the US Congress Shapes Foreign Policy through Sanctions Legislation,” *Foreign Policy Analysis* 16:3 (2020): 397-416.

department (67). Furthermore, *Backfire* explains how the US Office of Foreign Assets Control (OFAC), which is the Treasury agency primarily responsible for monitoring and enforcing economically coercive measures, applies sanctions in a way that imposes greater costs on foreign banks than US financial institutions. Demarais is also very good on capturing the transatlantic tensions surrounding economic sanctions. In most recent successes, the United States has found a valuable sanctioning ally in the European Union. *Backfire* delineates the ways in which European governments occasionally resent having to follow the American lead when it comes to sanctioning countries that are important trade partners.

Two significant flaws drag *Backfire* down. The first is that there is a superficiality to some of the analysis. Large portions of the text appear to have been cut and pasted from EIU reports on Iran, Russia, and Venezuela. Some of the verb tenses have not been updated, leaving the impression that events that transpired years ago are happening now. That is a minor error. Of more concern are a few of Demarais's claims that relate to the history of economic sanctions. On *Backfire*'s first page, she writes that "twenty years ago, the man on the street would have been hard-pressed to explain the concept of sanctions (3)." In fact, a generation before *Backfire* was released, leaders of the United States were debating whether the United Nations sanctions against Iraq were failing and whether that necessitated the use of force.<sup>8</sup>

The book's first 50 pages contain a number of questionable historical assertions about sanctions. The claim (6) that the United States only started to use sanctions to advance its foreign policy goals in the 1950s (6) overlooks both the Embargo Act of 1807 and the US use of sanctions during the interwar period.<sup>9</sup> The argument that the US failed to persuade its allies to join in the embargo of Fidel Castro's Cuba leaves undiscussed the Organization of American States' support for sanctions in the 1960s.<sup>10</sup> *Backfire* claims that OFAC invented sectoral sanctions in targeting in Russia in 2014 (25), and yet in the next chapter Demarais describes the Reagan administration's pressure against Libya as sectoral in nature. Demarais notes that Russian president "Vladimir Putin's approval ratings went to record highs after the country was first placed under US penalties in 2014" (45). The more likely cause of this surge in popularity would have been Putin's annexation of the Crimea. These minor errors point to larger issues, such as those involving the chapter on digital currencies, which does not distinguish between cryptocurrencies and the digital renminbi.<sup>11</sup>

Many of the arguments in *Backfire* have been overtaken by events. Demarais wrote this book at the beginning of 2022, and even in the short time since then enough has changed to render some of *Backfire*'s claims and concerns moot. Demarais's argument that "China is one of the few low-risk countries where

---

<sup>8</sup> See, for example, George W. Bush's 12 September 2002 address to the U.N. General Assembly, at <https://georgewbush-whitehouse.archives.gov/news/releases/2002/09/20020912-1.html>.

<sup>9</sup> Nicholas Mulder, *The Economic Weapon* (Yale University Press, 2022).

<sup>10</sup> Anna Schreiber, "Economic Coercion as an Instrument of Foreign Policy: US Economic Measures against Cuba and the Dominican Republic," *World Politics* 25:3 (1973): 387-413.

<sup>11</sup> Anshu Siripurapu and Noah Berman, "The Crypto Question: Bitcoin, Digital Dollars, and the Future of Money: The Dizzying Rise of Bitcoin and Other Cryptocurrencies Has Created New Challenges," Council on Foreign Relations, 17 January 2024, at <https://www.cfr.org/backgrounder/crypto-question-bitcoin-digital-dollars-and-future-money>.

interest rates stand well above zero” (147) was likely accurate when it was written, but that is no longer the case. The chapter on transatlantic tensions over Nord Stream 2 would have been trenchant in 2021; now it seems to describe a bygone era. Demarais claims “there is no consensus in Washington’s corridors of power on the merits or risks of decoupling” (189) with China; events have proven that this is no longer operative.<sup>12</sup> It remains to be seen whether Demarais’s warning against Sino-American decoupling will be borne out because it has been studiously ignored inside the Beltway.

For those who are looking for a primer on the recent trend of US economic statecraft, *Backfire* will provide some juicy tidbits about the current state of play. For those who need a primer on the state of economic sanctions, however, Bruce Jentleson’s *Sanctions* is the better bet.<sup>13</sup>

---

<sup>12</sup> Robbie Gramer and Christina Lu, “Washington’s China Hawks Take Flight,” *Foreign Policy*, 15 February 2023, <https://foreignpolicy.com/2023/02/15/china-us-relations-hawks-engagement-cold-war-taiwan/>.

<sup>13</sup> Bruce Jentleson, *Sanctions: What Everyone Needs to Know* (Oxford University Press, 2022).

Review by Daniel McDowell, Maxwell School of Citizenship & Public Affairs, Syracuse University

---

Public debates about sanctions are changing, and Agathe Demarais's timely book is helping to usher in an increasingly complex intellectual landscape on the subject. Little more than a decade ago, most scholarly work on the subject staked a position in the debate over whether sanctions "work."<sup>1</sup> That is, researchers focused their attention on whether sanctions were effective at achieving policymakers' aims and thus typically changing the policies and behavior of a target state or actor. While this is an incredibly important question that should be rigorously investigated, it is a narrow scope through which to explore the topic. Today, scholarship on the subject is quickly broadening beyond this single dimension.<sup>2</sup> In *Backfire: How Sanctions Reshape the World Against U.S. Interests*, Demarais does precisely this.

Demarais turns her attention to the various unintended consequences that US sanctions generate. In doing so, she does a service for scholars of sanctions and policymakers alike: when evaluating whether sanctions are an appropriate foreign policy tool in a given case, we ought to be weighing not only the likelihood that the coercive measure will affect change in a target's behavior. We must also consider the unintended—and sometimes unanticipated—secondary and tertiary effects of the tool. And, as Demarais is wont to point out, many of these consequences are (at the risk of sounding redundant) quite consequential. *Backfire* lays out the case that sanctions have harmed US relations with its allies, sped up the development of alternative economic networks that increase the future resilience of America's adversaries, and caused harm to innocent civilians.

The book adopts both a long view of US sanctions policy and a broad understanding of the tool itself. Throughout *Backfire*, Demarais surveys over 50 years of history in which Washington has employed coercive economic policies. These tools fall into one of three varieties: trade embargoes, financial sanctions, and sectoral sanctions. This wide angle sets the book apart from others that take a narrower tack,<sup>3</sup> meaning that Demarais's work is well positioned as a rigorous, yet imminently readable, introduction to the subject for those who have little background on the topic.

---

<sup>1</sup> See, for example, Navin A. Bapat, and Bo Ram Kwon, "When Are Sanctions Effective? A Bargaining and Enforcement Framework," *International Organization* 69:1 (2015): 131-162; Daniel W. Drezner, "The Hidden Hand of Economic Coercion," *International Organization* 57:3 (2003): 643-659; Robert A. Pape, "Why Economic Sanctions Do Not Work," *International Security* 22:2 (1997): 90-136.

<sup>2</sup> See, for example, Sarah Bauerle Danzman and Sophie Meunier, "The EU's Geoeconomic Turn: From Policy Laggard to Institutional Innovator," *Journal of Common Market Studies* 62:4 (2023): 1097-1115; Ling S. Chen and Miles M. Evers, "'Wars without Gun Smoke': Global Supply Chains, Power Transitions, and Economic Statecraft," *International Security* 48:2 (2023): 164-204; Henry Farrell and Abraham L. Newman, "Weaponized Interdependence: How Global Economic Networks Shape State Coercion," *International Security* 44:1 (2019): 42-79.

<sup>3</sup> Daniel McDowell, *Bucking the Buck: US Financial Sanctions and the International Backlash Against the Dollar* (Oxford University Press, 2023).

A particularly useful part of the book for newcomers is the opening chapter, where the author walks us through a modern history of US sanctions policy. Older coercive tools like trade embargoes, which were used against Iraq in the 1990s, were effective at imposing costs on targeted economies. However, they also distributed costs across all of society, rather than directly hitting the interests of the targeted officials.<sup>4</sup>

Over time, new ideas brought new tools to bear. In particular, financial experts at the US Treasury recognized that the United States could leverage the US financial system to impose surgical-like penalties on adversaries. This tool would diminish the amount of collateral damage caused by embargoes.<sup>5</sup> Washington honed its use of financial sanctions in its approach to North Korea, and then radically scaled them up when it turned its sights on Iran in the 2010s.<sup>6</sup> Demarais then explains how US sanctions policy evolved yet again in response to Russia's annexation of Crimea in 2014. Because of Russia's immense economic size (in comparison to past targets of US sanctions) US policymakers developed sectoral sanctions, incrementally cutting off key actors within the energy, financial, and defense sectors from accessing the US financial system.

As the title suggests, Demarais's thesis is that economic coercion often generates costs that are borne by actors other than the actors and entities that sanctions directly target. These costs, in turn, generate counterresponses from these newly aggrieved third parties. Demarais identifies three main ways that sanctions can "backfire."

First, as noted above, sanctions often harm innocent civilians more than the decisionmakers whose behavior they seek to reshape. As *Backfire* points out, targeted financial sanctions did not entirely solve this problem. Financial sanctions used against Iran, Russia, Venezuela, and the Democratic Republic of Congo are all associated with bouts of inflation following their imposition.<sup>7</sup> While Demarais admits it can be difficult to disentangle the effects of sanctions from the policies of target governments themselves, the observed link between externally imposed costs and economic problems in the target economy can complicate the political situation in target state. For example, the economic and societal damage that sanctions appear to cause can serve as an effective scapegoat for targeted regimes.<sup>8</sup> More broadly, *Backfire*

---

<sup>4</sup> David Cortright and George A. Lopez, "Are Sanctions Just? The Problematic Case of Iraq," *Journal of International Affairs* 52:2 (1999): 735-755; Richard Nephew, *The Art of Sanctions: A View from the Field* (Columbia University Press, 2017).

<sup>5</sup> Drezner, "Sanctions Sometimes Smart: Targeted Sanctions in Theory and Practice," *International Studies Review* 13:1 (2011): 96-108.

<sup>6</sup> Juan Zarate, *Treasury's War: The Unleashing of a New Era of Financial Warfare* (Hachette UK, 2013).

<sup>7</sup> Hamidreza Ghorbani Dastgerdi, Zarinah Binti Yusof, and Muhammad Shahbaz, "Nexus Between Economic Sanctions and Inflation: A Case Study in Iran," *Applied Economics* 50:49 (2018): 5316-5334.

<sup>8</sup> William Seitz and Alberto Zazzaro, "Sanctions and Public Opinion: The Case of the Russia-Ukraine Gas Disputes," *The Review of International Organizations* 15 (2020): 817-843; Peter Wallensteen, "A Century of Economic Sanctions: A Field Revisited," in Wallensteen, ed., *Peace Research*. (Routledge, 2013): 183-205.

asserts that such diffuse costs can globally tarnish the United States' reputation and weaken its credibility to speak on matters of human rights or the well-being of people around the world.

A second way that sanctions can produce blowback is by driving a wedge between the United States and its key allies. Demarais explains how US sanctions policy began to embrace the concept of “extraterritoriality” in the 1990s in order to scale up a program’s capacity to isolate a target. Through the use of secondary sanctions, the United States can force third countries—including its friends and allies—to choose between conducting business with a US target or maintaining economic and financial ties with the United States. Given the importance of the US economy, the choice is easy; most third countries cut ties with America’s targets. However, they often do so begrudgingly.<sup>9</sup> For instance, US ties with Europe were strained when Washington embraced such measures in the wake of the Trump administration’s decision to withdraw from the Iran nuclear deal in 2018, as *Backfire* notes.

Finally, Demarais points out a third way that US sanctions can backfire: by pushing adversaries to build alternative economic networks that increase their resilience to economic coercion. The central case for this view is the way that countries like China and Russia have responded to the increased use of financial sanctions by the United States. As Washington has used dollar dominance as a weapon of foreign policy with greater frequency, America’s adversaries have sought to develop their own cross-border payment and messaging systems to increase their autonomy from US banks and Swift. Though these networks are small, they could eventually limit how impactful US financial sanctions will be in the coming decades. Toward the end of the book, Demarais suggests that US export controls, aimed at containing China’s technological rise, are provoking a similar response. In time, China will build its own “US proof” supply chains for semiconductors and other technologies, meaning export controls will lose their bite as China develops self-sufficiency.<sup>10</sup>

Demarais notes in the conclusion that her book was largely written before Russia’s unprovoked invasion of Ukraine in February 2022. Still, one cannot help but read the book through the post-Russo-Ukraine war lens today. From that vantage point, some of the concerns Demarais raises seem less significant today while others have elevated importance.

On the former point, *Backfire* suggests that US efforts to use economic penalties to halt or slow the construction of Nordstream 2, a pipeline that is capable of moving Russian gas supplies to Europe, were

---

<sup>9</sup> Daniel McDowell, *Bucking the Buck*; Jeffrey A. Meyer, “Second Thoughts on Secondary Sanctions,” *University of Pennsylvania Journal of International Law* 30:3 (2009): 905-968

<sup>10</sup> McDowell, *Bucking the Buck*; McDowell, “Financial Sanctions and Political Risk in the International Currency System,” *Review of International Political Economy* 28:3 (2021): 635-661; Colin Weiss, “Geopolitics and the US Dollar’s Future as a Reserve Currency,” *Federal Reserve, International Finance Discussion Paper* 1359 (2022); Xu, Qiyuan, and Aizong Xiong, “The Impact of Financial Sanctions on the International Monetary System,” *China Economic Journal* 15:3 (2022): 253-262.



misguided because this drove a wedge between the US and its European partners.<sup>11</sup> And yet, with the benefit of hindsight, it is hard not to argue that the United States had it right all along (and that the Europeans were exceedingly naïve in their decision to pursue economic engagement with Russian president Vladimir Putin despite his increasingly aggressive actions on Russia’s Western border). Europe’s energy dependence on Russia weakened the initial sanctions response from the West following Putin’s invasion, forcing the US to accept “carve outs” for Russian oil and gas in order to prevent an energy crisis on the continent.<sup>12</sup> Had Nordstream 2 been allowed to become operational in the years leading up to the war, Europe’s reliance on Russian energy would have only intensified, further weakening the West’s response, and providing Putin with more leverage vis-à-vis European capitals. In this case, any harm to the transatlantic relationship caused by the coercive approach of the US to the Nordstream 2 was almost certainly worth it in the end.

At the same time, Demarais’s focus on how financial sanctions have provoked US adversaries to take steps to reduce their reliance on the dollar is a subject that has only increased in salience since the war began. Thus, *Backfire*’s focus on this topic has aged quite well. Since the start of the Russo-Ukraine war, interest in “de-dollarization” has skyrocketed. Russia, by virtue of the broad financial sanctions imposed on its economy, has had little choice but to shift its cross-border economic activities out of the dollar and euro and into rubles and, also, China’s yuan.<sup>13</sup> Meanwhile, non-sanctioned countries like Brazil and India have publicly discussed reducing the dollar’s role in their own cross-border activities. As Demarais notes, many of these schemes are unlikely to change things, especially in the near term. However, the mere fact that states are building, testing, and now using alternative financial infrastructures is a meaningful sign that sanctions targets are not helpless in the face of US pressure.

Related to this subject, *Backfire* also addresses the rise of cryptocurrencies as a sanctions-evasion tool. I agree with Demarais’s conclusion that digital currencies are unlikely to be the panacea that some US adversaries hope they might be. At the same time, I think Demarais may somewhat overestimate the potential for China’s yuan to threaten US dollar dominance. While I agree the internationalization of China’s currency is, in part, a response to US sanctions and in time will improve China’s own resilience to US pressure, I am less convinced the yuan is poised to emerge as a truly global currency in the coming decade.

*Backfire* ends by looking ahead and making some suggestions about US sanctions policy of the future. Here, again, I find myself in agreement with the author’s perspective. Considering a potential military conflict

---

<sup>11</sup> Moniek de Jong, “Too Little, Too Late? US Sanctions against Nord Stream 2 and the Transatlantic Relationship,” *Journal of Transatlantic Studies* 20:2 (2022): 213-229.

<sup>12</sup> Sinéad Baker, “The EU’s Compromise on Oil Sanctions Left Massive Carve-outs for 3 Countries that Allows Russia to Keep Selling Oil Worth Billions of Dollars,” *Business Insider*, 31 May 2022, available at: <https://www.businessinsider.com/eu-oil-ban-russia-keep-selling-3-countries-2022-5>.

<sup>13</sup> Alexander Gabuev, “The Yuan Is an Unlikely Winner from Russia’s Growing Isolation,” *Bloomberg*, 14 March 2023, available at: <https://www.bloomberg.com/opinion/articles/2023-03-14/russia-ukraine-the-yuan-is-an-unlikely-winner-from-moscow-s-isolation>; McDowell, *Bucking the Buck*.

between the US and China, Demarais notes that the US would not have “any qualms” about imposing Russia-style sanctions on China. This is consistent with my own perspective: if the US and China were involved in an active military confrontation, broad financial sanctions against Chinese interests would almost certainly be on the table, including the potential freezing of China’s massive US Treasury holdings. However, mobilizing US allies to join Washington in such a strong response to China will almost certainly prove more challenging than it was in the Russian case, as Demarais suggests. And yet, her ultimate conclusion is that in the coming decades, the United States will be less capable of employing unilateral sanctions and will need to work with its partners and allies if it intends to continue using economic coercion as a key tool in its foreign policy toolkit. If that is indeed the case, then US policymakers would do themselves a service by reading Demarais’ book today and beginning to prepare for that future tomorrow.

---

Response by Agathe Demarais, European Council on Foreign Relations

---

I extend my sincere thanks to Bruce Jentleson and to the reviewers for their feedback on my sanctions book, *Backfire: How Sanctions Reshape the World Against US Interests*. I am grateful for the time they spent reading my book and drafting their comments. I wrote *Backfire* in 2020–2021 and the book was released in November 2022. As I highlight in the conclusion, the book could therefore not incorporate in-depth analysis of the latest Western sanctions on Russia. Since then, a lot has also happened regarding relations between the US and China, with Washington shifting its China-related strategy from decoupling to de-risking.

This response to the reviews will seek to respond to some of the comments and bring new elements to my analysis based on the latest developments.

As Daniel McDowell notes, “one cannot help but read the book through the post-Russo-Ukraine war lens today. From that vantage point, some of the concerns Demarais raises seem less significant today while others have elevated importance.” I could not agree more with this comment given how important the Russia angle has been in my book promotion efforts. Perhaps the most important question, when it comes to sanctions on Russia, is whether these measures are working. This topic could not be covered in *Backfire*, yet it forms a central part of sanctions research today.

Saying that there is much confusion around the effectiveness of sanctions around Russia would be an understatement. To assess the efficacy of these measures, the first thing to do is to clearly define their goals. In my opinion, the first objective of sanctions against Russia is to send both Moscow and Kyiv a message of diplomatic resolve and unity. The second goal entails making it harder for Moscow to wage war—both financially, in particular through measures that restrict Russia’s hydrocarbon revenues, and technologically, notably via export controls on dual-use technologies, such as semiconductors. Finally, the third goal of western measures is to produce a slow asphyxiation of the Russian energy sector, thanks to restrictions on Russia’s ability to access to western technology for the development of new oil and gas fields. This last goal is not new: in 2014, the first round of sanctions on Moscow already intended to produce such a result.

Based on these three goals, it appears that sanctions are both imperfect and working. They are imperfect, since Russia has managed to circumvent some of them (notably export controls on semiconductors, although recent measures from the US Treasury appear to have curbed sanctions evasion in this area). In addition, Moscow can count on support from China to get access to some of the machinery it needs to manufacture military goods. Yet these measures are also working, notably when it comes to curbing Russia’s oil revenues: the G7/EU price cap on Russian oil exports, for instance, means that Russian energy firms had to reroute shipments that previously reached Europe’s shores towards India. For Moscow, this is bad news: longer maritime journeys are costlier than short voyages to Europe, and India is able to negotiate discounts on its imports of Russian oil.

Meanwhile, measures on the gas sector work slowly, but surely. Gazprom, the Russian state-owned gas giant, posted a US\$6.8bn loss last year as the loss of the European market curbed the company's revenues. This is ironic, given that Western sanctions do not target Russia's gas exports to Europe; instead, Gazprom's pain is self-inflicted, as it derives from Russia's decision to turn off the gas tap to Europe. Things will not get better for Gazprom in the coming years. Rerouting gas exports to China will be difficult, as Beijing is not keen to build the required infrastructure. Meanwhile, Russian gas fields are being depleted and many of the new reserves to be tapped are located around the Arctic Sea. Developing these fields will require sophisticated Western technology, which will not be forthcoming. In turn, Russia looks set to lose its status as a global energy superpower in coming years. Recent data from the International Energy Agency confirm this analysis: the institution reckons that Russia's share of globally traded gas will fall to 15 percent by 2030, down from around 30 percent before the war.<sup>1</sup>

A central theme from *Backfire* is how US unilateral sanctions, and in particular the secondary sanctions that force all firms around the world to make a choice between the US market and that of the targeted country, can fuel disputes with allies. As Emma Ashford points out, this topic has important policy implications for the US: "How long can Europeans continue to abide by US sanctions when they may have such a significant impact on European economies? Will this weaken US dollar dominance over time?"

The book offers several examples of sanctions-related transatlantic disputes, notably around Nord Stream 2 or the withdrawal of the US from the 2015 Iran nuclear deal. Yet the truth is that on this front, the Biden presidency has been markedly different from previous administrations: since Russia's invasion of Ukraine in February 2022, Washington has prioritised transatlantic unity over sanctions robustness. In addition, the administration has also been careful not to impose measures that would have huge ripple effects on global commodity markets. In practice, this means that the US has so far resisted the urge to impose secondary sanctions that would target large sectors of the Russian economy and send commodity prices spiking.

This change in sanctions strategy has been welcome in Europe, which has long had qualms about US secondary sanctions. The United States' pivot also reflects the emergence of a new consideration for American policymakers: the need to avoid antagonising emerging economies, where Russian and Chinese disinformation campaigns about sanctions are particularly strong. There is no basis for such claims, but these campaigns argue that sanctions are fuelling food and energy poverty around the world. As Ashford notes, this means that "sanctions increasingly have to be thought of as part of a global networked system rather than a simple strategic interaction between sender and target." Tackling such disinformation on sanctions is an emerging priority for Washington. The room for manoeuvre remains small, however, given how deep resentment against western countries is in many parts of the emerging world.

---

<sup>1</sup> International Energy Agency, *World Energy Report 2022*, <https://www.iea.org/reports/world-energy-outlook-2022/key-findings>.

It also remains to be seen whether transatlantic unity over Russia-related sanctions will continue to hold in coming months. In May 2024, US Deputy National Security Advisor Daleep Sing hinted that the US was considering imposing secondary sanctions on Moscow. Europe's response to this opening gambit has been muted. Looking ahead under a Trump 2.0 scenario, there is little doubt that transatlantic tensions over sanctions would spike. Trump has hinted that he could solve the war in Ukraine in as little as 24 hours. Seen from Moscow, such a deal would likely entail the lifting of most—if not all—sanctions on Russia. This scenario would place Europeans in a tricky position: would they continue to impose sanctions on Russia on their own? If so, what would be the effectiveness of such measures?

A final area that has evolved quickly since the publication of the book, nearly two years ago, has to do with US-China relations. On this front, the book had some prescient insights regarding Washington's growing willingness to use export controls as a key tool to implement its China-related strategy: a central theme of *Backfire* is how export controls will represent the sanctions of tomorrow. As Ashford notes, "The process of developing these export controls, as Demarais describes it, looks remarkably similar to the sanctions story." Since the publication of the book the US rhetoric in this area has evolved, shifting from decoupling, which involves fully cutting ties to China, to de-risking, which would reduce reliance on China for critical goods and prevent transfers to China of technology that could fuel the advances of the Chinese military. Beyond export controls, Washington has also expanded the tools that it uses to implement this strategy to encompass industrial policy, for instance through the US\$369bn Inflation Reduction Act, and collaboration with allies.

The current American debate often appears to eclipse one dimension of the de-risking question: China's response to Washington's plans to de-risk from China. In that field, the book's focus on China's alternative financial mechanisms, which help Chinese firms to vaccinate themselves against sanctions, was prescient. As Ashford notes, "Like other recent studies, *Backfire* in many ways describes a slow, steady process that could impact US economic dominance over time, even if today, there are few obvious alternatives." Since the publication of the book China has doubled down on its efforts to de-dollarize (around half of China's cross-border trade is now denominated in renminbi, a trend fuelled in no small part by growing trade ties with Russia); push for the adoption of CIPS, its homegrown alternative to Swift (in the long run, this mechanism will give China the ability to cut off entire countries and companies from its market); and foster the adoption of the digital renminbi. As McDowell notes, "Though these networks are small, they could eventually limit how impactful US financial sanctions will be in the coming decades." In addition, such efforts are getting traction in economies that are not facing sanctions. As McDowell mentions, "Non-sanctioned countries like Brazil and India have publicly discussed reducing the dollar's role in their own cross-border activities."

The next sanctions flashpoint will probably center around Taiwan, in the scenario of a Chinese aggression around the island. As McDowell notes:

Mobilizing US allies to join Washington in such a strong response to China will almost certainly prove more challenging than it was in the Russian case, as Demarais suggests. And

yet, her ultimate conclusion is that in the coming decades, the United States will be less capable of employing unilateral sanctions and will need to work with its partners and allies if it intends to continue using economic coercion as a key tool in its foreign policy toolkit.

If the US and its allies are serious about their commitment to Taiwan's security, they will need to take a serious look at lessons from previous sanctions cases, such as Russia, Iran or Venezuela, to assert what works and what does not. There is no "one size fits all" approach with sanctions. In turn, Washington and its partners will also need sketch out scenarios for how sanctions policies will need to adapt if the intended sanctions recipient—China—has a much bigger economy than any other previous sanctions target. It remains to be seen whether it is, in fact, too big to be placed under sanctions or if such measures would still have an impact on the Chinese economy.