



THE TRANSITION TOWARDS IMPERCEPTIBLE AND UNBREAKABLE FINANCIAL BLOCKADES

Thomas Flichy de La Neuville,
Geopolitics Chair at the Rennes School of Business

Geoeconomics provide a graduated series of measures that can be exerted upon hostile or dangerous nations, namely sanctions, boycotts, embargos or – the ultimate form of economic pressure that can be imposed on an adversary – blockades.¹ An extreme type of economic ban, they reveal the real nature of a power struggle. Because they obstruct the free trade of goods, they appear to be an anomaly within the liberal world order. In reality, however, they are more complex, in the sense that accelerating trade in one place in the world can trigger a slow-down elsewhere.² Blockades are not always ephemeral either. Whether enacted to great fanfare or not, they freeze some transactions while generating business opportunities elsewhere. Natural economic flows momentarily diverted when a delicate terrain is frozen out very rapidly reorganise, with distribution reshaped to benefit competitor countries and prohibited trade essential to the target zone's survival gaining priority over other commercial activities. Major companies are the primary beneficiaries of reshaped distribution patterns, while small and mid-size businesses can capitalise on their flexibility to profit from the new trading hierarchy. Blockades are thus an economic and military measure that serves imperial ends. They can change and adapt, chameleon-like, to their environment. Although they were once easy to steer around, they have become more hermetic and coercive measures can consequently have a bigger economic impact on the target zone's competitor countries.

FINANCIAL BLOCKADES' IMPERIAL AIMS

¹ Bernard Ferrand, "Quels fondements juridiques aux embargos et blocus aux confins des XIX^e et XX^e siècles ?", *Guerres mondiales et conflits contemporains* (n°214, 2004), p. 55-79.

² When Napoleon declared a blockade on the British Isles on 21 November 1806, he rather ironically justified this measure by insinuating that it was concomitant with the maritime trading culture he claimed to wish to destroy, commenting that "considering that it is our natural right to oppose our enemy using the same arms as he, we have resolved to impose upon England the same measures that she has enshrined in her maritime legislation and, as a result, we declare the following: Article 1, the British Isles are henceforth blockaded"

In geopolitics, blockades serve an imperialistic aim. They are an act of war, the objective of which resides more in seizing control of the seas than acquiring land. Over time, they have taken on increasingly subtle and imperceptible forms.

Blockades: an Unmistakable Sign of War

Financial sanctions are a true signal that warfare is underway, and they are sometimes brought into the public domain when blockades are declared. Blockades are considered by some legal experts to be a substitute for war.³ In any case, its economic aims are identical to victors' military aggression. In the 5th century BC, for example, the Vandals blockaded Hippo Regius.⁴ All it took was a few ships to prevent Roman reinforcements from entering the port.⁵ Occasionally inflicted on towns during the Middle Ages,⁶ blockades became more and more common when economies started to focus their attention on the seas in the early 17th century. For example, the United Provinces of the Netherlands blockaded the Scheldt to redirect Antwerp's trade towards Amsterdam. In the East Indies in the 1660s, the Dutch East India Company (or *Verenigde Oost-Indische Compagnie*) conducted a naval blockade on the Chao Phraya, the river that irrigated the entirety of former Siam's central plains leading towards the capital of Ayutthaya.⁷ In the 18th century, commerce raiding became commonplace. This was the practice of confiscating enemy ships and property.⁸ Increasingly widespread conflicts often pitted sea-based empires against coastal empires. This was the case for England and Napoleonic France, and it was again when Allies attacked Turkey's indefensible coasts during the First World War. In this context, blockades can be viewed as a transition between a long period of economic warfare and brief flares of military conflict.⁹ They were a final warning shot serving several objectives: overthrowing the target country's ruling regime, intimidating neutral nations, demonstrating strength to allies and, of course, co-opting public opinion in the blockading country.¹⁰ However, the great disadvantage of this strategy to choke off the target zone is that it is both public and radical. It also needs plenty of resolve behind it if it is to meet its aims. This was why Iraq was very reluctant to blockade Iran when the two countries entered into conflict in the 1980s.¹¹ Blockades are therefore perfectly synonymous with war, especially when their aim is to wrest control of the seas.

Geopolitical Objectives More Oriented Towards the Sea than the Land

³ Bernard Ferrand, "Quels fondements juridiques aux embargos et blocus aux confins des XIX^e et XX^e siècles ?", *Guerres mondiales et conflits contemporains* (n°214, 2004), p. 55-79.

⁴ Christel Freu, "Les évêques dans tous leurs états : réponses épiscopales aux crises de l'Antiquité tardive", *Laval théologique et philosophique* (72, 2016), pp. 173-178.

⁵ André Morazzani, "Essai sur la puissance maritime des Vandales", *Bulletin de l'Association Guillaume Budé : Lettres d'humanité*, (n°25, December 1966), pp. 539-561.

⁶ Michiel Gazenbeek and Julian Wiethold, "Les occupations du Haut Moyen-Âge à Dieue-sur-Meuse, la Corvée – une présentation", *Archäologentage Otzenhausen 2, Archäologie in der Großregion, Beiträge des internationalen Symposiums zur Archäologie in der Großregion in der Europäischen Akademie Otzenhausen* (2015), pp. 237-256.

⁷ Isabelle Landry-Deron, "Les mathématiciens envoyés en Chine par Louis XIV en 1685", *Arch. Hist. Exact Sci.* (n°55, 2001), pp. 423-463.

⁸ René Cassin, "L'évolution des conditions juridiques de la guerre économique", *Politique étrangère* (n°5, 1939), pp. 488-512.

⁹ Jean-David Avenel, Blocus et guerres économiques, *Guerres mondiales et conflits contemporains* (n°214, 2004), pp. 3-6.

¹⁰ Ibid. pp. 3-6.

¹¹ Mohammed-Reza Djalili, "Iran-Irak : an V de la guerre", *Politique étrangère* (n°4, 1984), pp. 857-872.

To be effective, a blockade should mobilise as few of the attacker's forces as possible while also sheltering it from potential counterattacks. In this dynamic, maritime blockades requiring only a small fleet deployed with great technical flair steal a march over land-based sieges and the heavy equipment they require. Consequently, operations have been most successful on sea. This was illustrated by four Mediterranean blockades. The first took place during the first Punic War when the Romans, unable to disrupt Hannibal's logistical supply lines over land, decided to implement a maritime blockade designed to prevent supplies reaching their enemy from the outside. It was evaded by the Punic fleet until 205 BC, when the blockade became genuinely unbreakable.¹² A second example is the Turks' final assault on Constantinople in 1453. This was made possible when nearby Byzantine territories were conquered.¹³ Constantinople only survived as a geopolitical exception wedged between Rumelia and Anatolia whose conquests – some Aegean islands and a Peloponnese enclave – were located at a distance. The Turks' economic and military blockade of Constantinople would not have been truly successful if the Ottomans had not managed to cut the city off from its Venetian maritime support¹⁴ by leveraging its Genoese competitor. Attacking from land, Mehmed II built Rumelihisari Castle on the Bosphorus, dotting it with canons to lock down the river's west bank and make the naval blockade unbreakable. In 1453, the city fell, having been blockaded since 1420.¹⁵ The newly formed United States' blockade of Tripoli (3 May 1802 – 20 May 1804) is an example of a long-distance economic and military offensive designed to protect liberal maritime trading rights. Without British military cover to protect them at sea post-independence, the United States tried to negotiate with the Barbary eyalets, but the pasha Karamanli only acceded to their requests after a two-year blockade.¹⁶ The blockade of Tripoli was enacted in coordination with the Swedish military, which had four frigates in the area.¹⁷ It only became complete with the fall of the city of Derna, the seat of government henceforth held by Hamet Karamanli after he had been deposed from the throne of Tripoli by his brother, Yusuf. On the other hand, the blockade of Algiers ordered by King Charles X (16 June 1827 – 14 June 1830) proved ineffective for the very good reason that it was purely military in nature. It was impossible to damage Algerian trade in that Algiers was not a trading city.¹⁸ France drew a lesson from this when it launched its "rice blockade" on Formosa (20 October 1884 – 9 June 1885) in an effort to take Tonkin from the Chinese.¹⁹ Operated from the sea by imperial powers, blockades require both great determination and real local intelligence. So long as blockades can be circumvented²⁰, they will not work. Their

¹² Pierre-Emmanuel Klingbeil, "La marche d'Hannibal : ravitaillement et stratégie", *Antiquités africaines* (36, 2000), pp. 15-38.

¹³ The Ottomans owed their success to their pragmatic strategy. Military expeditions circumvented the most difficult areas (Constantinople in particular), gradually invading the surrounding countryside and choking them off in readiness for the final assault.

¹⁴ Faced with the impossible task of breaking through Constantinople's city walls, Bayezid I (1389-1402) decided to launch a permanent blockade. This was rendered ineffectual when the city was resupplied by a fleet of Venetian ships.

¹⁵ Olivier Hanne, "Si je t'oublie Constantinople", *Figaro Histoire*, pp. 44-51.

¹⁶ Paule Arnaud-Ameller, "Réflexions sur les blocus : quelques exemples de succès et d'échec aux XIX^e et XX^e siècles", *Guerres mondiales et conflits contemporains* (n°214, 2004), pp. 7-27.

¹⁷ *Ibid.*

¹⁸ *Ibid.*

¹⁹ *Ibid.*

²⁰ Eugène Cavaignac, "Athènes et le Sea Power au V^e siècle", *Bulletin de l'Association Guillaume Budé* (n°2, June 1962), pp. 194-197. When Athens found itself at war with the Peloponnese states and central Greece from 462, it naturally sent its fleet out to attempt to blockade their sea routes, hence Polmides' and then Pericles' journeys around the Peloponnese. Athens' governors realised that the blockade was singularly inoperable while western Greece's communications with central Greece – and the supply lines which came with them – were operating freely."

effectiveness became even more difficult to assess over time as imperial blockades became increasingly discreet.

Increasingly Imperceptible Imperial Blockades

Over the past two centuries, blockades have developed in two ways. First, they became a considerably more widespread proxy for war between 1820 and 1945; then, second, they apparently lost favour to more discreet but no less effective financial sanctions. After the French and British empires mutually smothered each other's economies, blockades returned in 1820 to exert their inherent power, but they also respected the rules regarding belligerents and neutral countries.²¹ Peaceful blockades multiplied in number in support of various parties' financial interests.²² Gunboat diplomacy enabled the British crown's economic interests to thrive, for example, after the King of Dahomey ordered that a local merchant's property be confiscated. The blockade of Whydah took place from 1876 to 1877.²³ Although they had proved successful from 1820 to 1945, military blockades were discredited when the Berlin Blockade failed²⁴, yet they continued to be employed at a rate of one a year following World War Two. In two-thirds of cases,²⁵ it was the United States which took the initiative and coordinated efforts,²⁶ as it attempted to do against Fidel Castro's Cuban regime in the early 1960s. Conversely, new, more discreet measures arose around the same time, from multiple embargos of the type imposed on Yugoslavia on 25 September 1991,²⁷ to the sanctions which would become the standard way of managing international conflict from the 1990s onwards. The United Nations' work was made easier by the end of the Cold War and the economic woes experienced by permanent UN Security Council member Russia, which barely used its veto rights during this era.²⁸ Monetary sanctions offered a more discreet solution than military blockades, so they gradually took over the role they once occupied.

Because their aim was to secure an imperial power's interests, blockades became an excellent barometer for geopolitical tensions. They were initially designed to lock down maritime space's geoeconomic balance, but they gradually transitioned into the incorporeal, less perceptible sphere of financial sanctions. Whether they take a visible or invisible form, blockades are complex.

VARIOUSLY MEASURED FINANCIAL BLOCKADES

²¹ Paule Arnaud-Ameller, *ibid.*

²² Paule Arnaud-Ameller, "Réflexions sur les blocus : quelques exemples de succès et d'échec aux XIX^e et XX^e siècles", *Guerres mondiales et conflits contemporains* (n°214, 2004), pp. 7-27.

²³ Catherine Coquery-Vidrovitch, "Le blocus de Whydah (1876-1877) et la rivalité franco-anglaise au Dahomey", *Cahiers d'études africaines* (vol. 2, n°7, 1962), pp. 373-419.

²⁴ Paule Arnaud-Ameller, "Réflexions sur les blocus : quelques exemples de succès et d'échec aux XIX^e et XX^e siècles", *Guerres mondiales et conflits contemporains* (n°214, 2004), pp. 7-27.

²⁵ The UN has only been behind two cases: Rhodesia (1966) and South Africa (1977).

²⁶ Jean-David Avenel, "Blocus et guerres économiques", *Guerres mondiales et conflits contemporains* (n 214, 2004), pp. 3-6.

²⁷ Pascale Martin-Bidou, "Les mesures d'embargo prises à l'encontre de la Yougoslavie", *Annuaire français de droit international* (vol. 39, 1993), pp. 262-285.

²⁸ Djamchid Assadi, Jean-Guillaume Ditter, "Les sanctions économiques sont-elles utiles ? Le cas iranien", *Cahiers du CEREN* (n°49, 2016), pp. 84-95.

Blockades lock enemies in a stranglehold while maintaining flexibility for the user. Usually, they will freeze a single, highly economically valuable zone. They can be a prelude to limited war or, more rarely, a devastating worldwide conflict.

Partial Blockades are the Most Common and the Most Effective

Partial blockades' geography is clearly delineated, and they tend to focus on the port cities that constitute a territory's economic heart. Limited blockades have the advantage of not uprooting all economic business. Rome's various blockades provide a striking illustration of this very effective practice. The single aim of the first *secessio plebis* was to unseat Rome – the commercial and agricultural centre farmed by plebeians – in favour of the Aventine Hill. To achieve their goal, the plebeians blockaded the city until they won the *Tribunus plebis*' protection from city debtors.²⁹ Rome was later blockaded by Sextus Pompey, who took control of Sicily in order to disrupt Rome's wheat imports. Octavius was obliged to enter into contact with the enemy to mollify the increasingly threatening urban plebeian population. During a conference in Miseno in 39 BC, Octavius had to recognise Sextus Pompey's dominion over Sicily, Corsica and Sardinia, in return for which Sextus promised to end the blockade.³⁰ Under Augustus, Rome's wheat supplies largely depended on Egyptian harvests. Whoever held Alexandria held Rome. In the year 68, Vespasian took Egypt and based himself in Alexandria, from which he targeted Rome with a blockade. A few months later, in 69, he became emperor. Over the course of the Barbarian Invasions, Rome experienced what was very nearly a blockade, and this weakened its defences.³¹ The city's various blockades were thus able to leverage the large Roman population's hunger to facilitate all kinds of political transitions. Partial blockades can however, quite easily take a turn for the worse.

When Blockades are a Prelude to Limited War

Blockades sometimes serve as transitional periods in which the enemy is weakened before war breaks out. One example of this was the siege of Antioch in May 1268, which saw the city fall three days after a preparatory blockade was set up.³² Similarly, Mexico was blockaded by England, Spain and France in 1826 because of its debts to its European lenders, the aim being to quickly overthrow the government.³³ This blockade was the prelude to a long military campaign. During more recent conflicts, Iraqi oil imports were embargoed on 4 August 1990, four days after the country invaded Kuwait. The justification for this was the fear that Iraq would set up a nuclear arsenal,³⁴ and it came shortly before a Saudi-backed military intervention. An embargo on arm sales to Libya was declared on 17 February during the Libyan campaign of 2011. On 20 March, Tomahawk missiles rained down on sensitive Libyan targets. In all these different cases, financial blockades performed nothing less than

²⁹ Émile Belot, *Histoire des chevaliers romains* (Paris: Durand Éditeur, 1866), p. 17.

³⁰ Catherine Bustany-Leca, "Rome et la Sicile, la Corse et la Sardaigne (197 av. J.-C. – 192 ap. J.-C.)", *Rome et l'Occident, 197 av. J.-C. à 192 ap. J.-C.* (Paris: Ellipses, 2009), pp. 9-19.

³¹ Jean Bourdon, "Le monde antique s'est-il dépeuplé ? », *Journal de la société statistique de Paris*", (tome 89, 1948), pp. 102-118.

³² Édouard Baraton, "La principauté assiégée. Les sièges de Laodicée et d'Antioche, révélateurs des relations locales gréco-latines aux XII^e et XIII^e siècles", *La guerre de siège de l'antiquité à l'époque moderne*, GRUis study day, 23 March 2016.

³³ Jean-David Avenel, "Un exemple de blocus militaire : l'intervention tripartite au Mexique (décembre 1861-avril 1862)", *Guerres mondiales et conflits contemporains*, (n°214, 2004), pp. 29-37.

³⁴ "Partis, groupes et médias face au conflit du Golfe", *Courrier hebdomadaire du CRISP* (n°1303-1304, 1990), pp. 1-77.

the groundwork for war. To guarantee their security, powers always seek to make blockading them impossible.

When Continental Empires Transition Towards Total Blockade

The Napoleonic wars were the first to combine global economic warfare with a double blockade: one maritime, enacted upon France by England in May 1806, and another on land, when France prevented British exports from reaching Europe in November 1806.³⁵ This global economic confrontation extended the war to Spain and Russia.³⁶ It fed into continental empires' strategies from the early 19th century onwards. They wanted to avoid total global blockades at all cost. In 1898, Wilhelm II formed a closer alliance with Turkey. The aim of the Berlin-Baghdad-Basra rail link (or *Baghdadbahn*) was to connect Germany to East Africa and Asia should the Suez Canal be blockaded. It was also to allow Germany to refresh its oil supplies, given that 80% of its outside trade travelled via the North Sea and was, as a result, at the mercy of the Royal Navy. "When the Baghdad railway reaches Kuwait, the German fleet will double in size, predicted the National Review in 1901. At a distance of just ten days from the Persian Gulf, the world's biggest military power (and now in possession of the second biggest navy) would be able to set up a military base just four days away from Bombay by steamer. Losing the Indies to a blockade would represent a severe economic blow to the English."³⁷ Germany's fears were not unfounded as, during the First World War, the Central Powers were blockaded by the Allies, who were in turn counter-blockaded by U-boats. "The Entente Powers sought to smother the Turks by cutting them off from the outside world and therefore deprive Germany of one of its supply lines, while the Turkish-German alliance tried to asphyxiate Russia, on the one hand, by hemming it in behind the Black Sea and England, on the other, by taking over the Suez Canal."³⁸ In the wake of this conflict, Iran was keen enough to avoid a blockade that it asked the Soviet Union to set up a new Caspian port in order to "shelter Iran from a blockade on the Persian Gulf led by imperialist forces."³⁹ Currently, Pakistan is considered an ally globally because "Beijing believes the energy resources which travel through it could insure them against an American or Indian naval blockade of the Persian Gulf."⁴⁰

Blockades' chokehold on the economy therefore most often aims to force political transition in the target country, rather than destroying one of its cities or annihilating it completely. When the movement of goods is temporarily circumscribed, new opportunities are automatically generated.

BLOCKADES AS A GENERATOR OF ECONOMIC OPPORTUNITY

³⁵ Christian Harbulot, "L'étude de la guerre économique et des problématiques associées", *Instituto espanol de estudios estrategicos*, (June 2013), pp. 1-35.

³⁶ Bernard Ferrand, "Quels fondements juridiques aux embargos et blocus aux confins des XIX^e et XX^e siècles ?", *Guerres mondiales et conflits contemporains* (n°214, 2004), pp. 55-79.

³⁷ Martin Motte, "La seconde Iliade, blocus et contre-blocus au Moyen-Orient, 1914-1918", *Guerres mondiales et conflits contemporains* (n°214, 2004), pp. 39-53. All extracts cited throughout this article are translations of the original French text.

³⁸ *Ibid.* pp. 39-53

³⁹ Houchang Nahavandi, *L'Union soviétique et la révolution iranienne*, pp. 32-43.

⁴⁰ Anatol Lieven, "États-Unis – Pakistan : la relation à haut risque", *Politique étrangère* (n°3, 2013), pp. 601-615.

Blockades always lead to a severe slow-down in trade.⁴¹ Unlike commercial initiatives which seek to circumvent or profit from blockades, military forays aiming to break them imply the use of force. As economies have increasingly dematerialised, it has become harder to evade blockades because unbreakable, invisible sanctioning mechanisms get in the way.

Breaking a Blockade: a Rare, Reckless and Violent Act

Forcing a crack in a blockade takes audacity and technical skill. This is most likely why such military actions are frequently taken individually. This occurred when the English blockaded Mont-Saint-Michel from September 1424 to June 1425, an operation which was ultimately quashed by a fleet from Saint-Malo. When the fleet resupplied and reinforced the garrison, it annihilated English hopes of seizing this strategic base.⁴² Private initiatives are often encouraged by public powers when blockades are harming their commercial interests. Having invested in cotton plantations in the southern United States, Great Britain was dealt a body-blow when southern ports were blockaded by northerners and the British cotton industry was robbed of its key supply line.⁴³ The 1861 Trent Affair was connected to the cotton famine and nearly led to war, inspiring Jules Verne to write *The Blockade Runners*. In later years, daisy-chain and underwater mines made it easier to break blockades.⁴⁴ Although rare, contemporary initiatives to force open blockades still occur. On 31 May 2009, an elite commando unit of the Israel Defense Forces was helicoptered out to take over a ship manned by a pro-Palestinian Turkish Islamist organisation hoping to break Israel's blockade of Gaza.⁴⁵

How Ancient Economies Naturally Circumvented Blockades

As soon as a financial blockade is put in place, commercial efforts to get around it spring up.

Once the 12 Years' Truce was at an end, the embargo on Dutch ships in Iberian ports had a serious effect on Amsterdam's Sephardic trade system, but the Dutch utilised several means of circumventing it. They resorted to employing neutral ships, diverting departures to Hamburg and, most significantly, smuggling goods via south-western France [...] The 1620s saw sharp growth in traffic compensating for the Iberian embargo. Goods such as quality Dutch cloth and oriental spices were unloaded in Bayonne or Saint-Jean-de-Luz, then transported over the Pyrenees by mules to the dry ports of Navarre, from whence they would

⁴¹ The European wars of the late 17th century were cataclysmic for French brandy exports because, when the English and Dutch markets were closed off, cane sugar-based brandy became a threat. England and France found themselves on opposing sides during the Nine Years' War and, due to England's general blockade after war was declared in 1699, France lost its main wine and spirits market," Bertie Mandelblatt, "L'alambic dans l'atlantique : production, commercialisation et concurrence de l'eau-de-vie de vin et de l'eau de vie de rhum dans l'atlantique français au XVII^e et au début du XVIII^e siècle," *Histoire, économie et société* (n°2, 2011), pp. 63-78. The same phenomenon occurred during the continental blockade which tested Germany and France's ports. It is not purely coincidental that Marseille and Bordeaux were the cities most hostile to Napoleon in 1814, and ones which most enthusiastically backed surrender.

⁴² David Fiasson, "Un chien couché au pied du roi d'Angleterre ? Robert Jolivet, abbé du Mont Saint-Michel (1411-1444)", *Annales de Normandie* (n°2, 2014), pp. 47-72.

⁴³ Thomas Lindemann, "Identités démocratiques et choix stratégiques", *Revue française de science politique*, (vol. 54, 2004), pp. 829-848.

⁴⁴ Paule Arnaud-Ameller, "Réflexions sur les blocus : quelques exemples de succès et d'échec aux XIX^e et XX^e siècles", *Guerres mondiales et conflits contemporains* (n° 214, 2004), pp. 7-27.

⁴⁵ Frédéric Encel, "Causes, déroulement et conséquences de la rupture israélo-turque", *Hérodote* (2013, n°148), pp. 68-82.

go on to Logrono, Cervera and Agreda in Castile. These towns' rights were assured by Juan Nuñez de Vega and his brother-in-law Manuel Nuñez de Olivera, both newly Christianised Portuguese, in close partnership with Marrano traders from south-western France. Spanish and American products such as wool, silver, tobacco and dyes also travelled in the opposite direction.⁴⁶

Evasive action of this kind arose again on land when “traffic was brought to a near-total halt in 1808 by the launch of a naval blockade as 1807 and French governmental embargos on neutral ships in 1806. However, from this date onwards, some traders based in Bordeaux – many of them newly minted ship owners who had little capital at risk – attempted to defy the official blockade. These traders bought confiscated neutral ships cheaply at auction, and then officially expedited them to a northern European port. In reality, they went to England, protected by import licences which the Privy Council liberally doled out in 1808.”⁴⁷ In northern Europe, despite the presence of 300 French customs officers in Hanseatic towns, smugglers managed to introduce an enormous amount of English merchandise. Bourrienne's *Mémoires* are filled with amusing anecdotes about the subterfuge to which smugglers resorted.⁴⁸ However, blockades also redistribute flows of trade. When France's trade was compromised by a British Navy blockade, American traders took France's place.⁴⁹ Blockades benefitted insurers, who quintupled their prices for ships bold enough to trade with Turkey during the First World War.⁵⁰ In short, “blockading borders is undoubtedly effective over the short term, but the law of markets always constantly encourage blockading countries to get around prohibitions and create a not-quite-black-market supply line when an equally dubious demand is discerned among blockaded countries' intermediaries.”⁵¹

Imperceptible and Unbroken Financial Blockades in the Contemporary Era

⁴⁶ Nathan Wachtel, “Diasporas Marranes et empires maritimes XVI^e – XVIII^e”, *Annales, histoire, sciences sociales* (2006), pp. 419-427.

⁴⁷ Paul Butel, “Guerre et commerce : l'activité du port de Bordeaux sous le régime des licences, 1808-1815”, *Revue d'histoire moderne et contemporaine*, (tome 19, n°1, January-March 1972), pp. 128-149.

⁴⁸ “To the left of the road leading from Hamburg to Altona, there was a sand quarry. We got the idea of repairing the road, filling the cavity left by the extracted sand with sugar and loading the sugar into the little vehicles that regularly took the sand to Hamburg. We only covered the sugar with a layer as deep as a thumb of real sand. Another, even more ingenious technique was to bury the citizens of Hamburgerberg, a town between the city and Altona, in Hamburg's cemeteries. The customs officers finally noticed that they were seeing more and more burials every day, replete with ceremony, funeral chants and the usual sombre rights. Amazed at this sudden increase in the death rate, the officials plucked up the courage to take a look at one of the deceased, but instead they found sugar, coffee, vanilla, indigo and more.” Louis De Bourrienne, *Mémoires de M. de Bourrienne* (Paris: Ladvocat), 1829.

⁴⁹ Ibrahima Seck, “Les Français et la traite des esclaves en Sénégal”, *Dix-Huitième siècle* (2012, n°44), pp. 49-60.

⁵⁰ Martin Motte, “La seconde Iliade, blocus et contre-blocus au Moyen-Orient, 1914-1918”, *Guerres mondiales et conflits contemporains* (n°214, 2004), pp. 39-53.

⁵¹ Hubert Bonin, “Les vertus de l'économie ouverte ?”, in Hubert Bonin, Bertrand Blancheton, *La croissance en économie ouverte XVIII^e – XXI^e siècles* (Brussels: Peter Lang, 2009): “François Crouzet and Silvia Marzagalli emphasised (over the course of a chapter in the former's case) the near-subversive role played by merchants from the famous neutral countries during the blockades of the 1790s to 1810s, most particularly by ships from the United States. These American vessels played the same role in 1914 to 1917 and again in 1939 to 1941 to keep the British Isles' transatlantic supply chain open before the US officially joined the war. Certainly, controls increased, with ships getting checked, seized and sometimes even destroyed (during the World Wars' two submarine battles), yet the “selling machine” created an impetus for blockade runners.”

Although physical blockades have become rare, similar measures are still being discreetly implemented in the form of financial sanctions.⁵² These were first recommended by John Maynard Keynes in 1929 as an alternative to war against fascist Italy and Imperial Japan. Since the economy started to globalise at increasing pace from the 1990s onwards, internal⁵³ and international⁵⁴ sanctions have been used more and more often. As of the turn of the millennium, the latter have, however, been criticised by NGOs who recommend more targeted measures. Sector-specific sanctions have tended to be prioritised since the start of the 21st century, except where direct geopolitical competitors to the United States are concerned. Because it cannot launch an all-out attack on China⁵⁵ due to the country's financial clout, the US has targeted the two other members of a continental triad, Iran⁵⁶ and Russia.⁵⁷ In both cases, action was targeted at the energy, military and banking sectors so that the countries' entire economies would be paralysed. No sector in the Iranian economy was spared by these sanctions.⁵⁸ Because the Office of Foreign Assets Control (OFAC)⁵⁹ enforces sanctions outside US territory, compliance has been breached less frequently, in part due to the complex legal mechanisms in place.⁶⁰ While banks and financial institutions were once the OFAC's primary targets, the organisation has now extended its reach to other kinds of establishments without a strong compliance policy.⁶¹ In the United States, the number of fines resulting from sanction violations has jumped by nearly 300% since the year 2000. These new blockades are hard to circumvent and they mainly generate business opportunities for the target country's immediate competitors.

In conclusion, blockades' imperial ends have not changed over time. They can be targeted or all-encompassing, and it is essentially the "how", not the "why", which has been revolutionised. Blockades have become imperceptible and unbreakable as they have left the

⁵² In 2012, the UN was operating twelve sanction regimes, on North Korea, Ivory Coast, Iraq, Iran, Lebanon, Libya, Liberia, the Democratic Republic of Congo, Eritrean Somalia, Sudan, the Taliban and Al-Qaida.

⁵³ It should be noted that financial sanctions do not only apply to third-party countries. They are a standard controlling measure applied within the European Union. On 29 September 2010, the European Commission published a proposal for legislation that would reinforce economic governance using at least three major innovations. The first of these activates, as part of the reformed Stability and Growth Pact, not just a public deficit criterion (3%) but a debt criterion too (60%). For the Eurozone's member states, this represents "a new set of progressive financial sanctions".

⁵⁴ A notable example of this is a freeze on credit notes designed to paralyse the targeted banking system.

⁵⁵ OFAC is currently satisfied with simply cutting geoeconomic ties between Iran and China. In March 2017, the Chinese telecoms company Zhongxing Telecommunications Equipment Corporation (ZTE) settled a suit with OFAC relating to more than 251 instances in which restrictions on Iran were violated. ZTE had to pay a fine of \$900 million, with the threat of a further \$300 million in sanctions should the business not respect the terms.

⁵⁶ The Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) sanctions all trade relations between Iranian, American and international financial institutions.

⁵⁷ The crash of MH17 in July 2014 was interpreted Russian support for Ukraine's pro-Russian insurgents and led to financial sanctions that would render Russia's state banks incapable of financing operations on the EU and US' capital markets. As a result, the rouble fell in value and reserve currencies were pressurised.

⁵⁸ Thierry Coville, "Les sanctions contre l'Iran, le choix d'une punition collective contre la société iranienne ?", *Revue internationale et stratégique* (2015, n°97), pp. 149-158.

⁵⁹ The American Treasury Department's Office of Foreign Assets Control relentlessly pursues anyone who fails to respect sanctions, whether they be American companies, overseas companies listed in the United States or a natural or legal person with ties to the United States.

⁶⁰ The list of UN sanctions only includes 13 restrictive measures, but this 158-page document covers a great number of sanctioned people, entities and states. The UN's sanctions are adopted by international bodies such as the European Union and by different countries. Some of them even apply stricter measures.

⁶¹ For instance, nine of the 17 fines the OFAC levied in 2015 concerned companies not working in the banking and financial sectors.

maritime and military arenas and moved into the intangible realm of finance. Invisible blockades generate business opportunities in competitor countries (or in the small selection of areas reserved for humanitarian work), and they open the way for two phenomena: first, an unspoken tightening of geopolitical power relations and, second, a temptation among blockade runners to operate in the shadows.