

Challenges in Containment: Assessing the Ineffectiveness of US Sanctions on Iran's Regional Ambitions

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Submitted: October 16, 2023
Accepted: November 6, 2023

Abstract

The objective of this article is to delve into the topic of sanctions in international relations, with a primary focus on the case of Iran, from a theoretical standpoint. The aim is to showcase that sanctions did not diminish Iran's regional importance but rather fostered increased cooperation between Iran and Russia. This article critically examines the efficacy of sanctions as a tool in US foreign policy, shedding light on the significant costs incurred due to the exclusion of Western businesses from the sanctioned Iranian market. By doing so, the article challenges the conventional wisdom surrounding sanctions and offers a nuanced perspective on their impact in the realm of international diplomacy.

Keywords: Iran, United States, regional, sanctions, efficiency, instrument

DOI: 10.56583/br.2302

Introduction

Sanctions are measures taken by one country or a group of countries against another country, organization, or individual to encourage a behavior change, punish non-compliance with international norms or laws, or achieve specific policy objectives. Sanctions can be economic, diplomatic and coercive, such as embargoes (Hufbauer, Schott, and Elliott 2007). Here are some key points about sanctions:

- Sanctions are penalties or other means of enforcement used to provide incentives for obedience to the law or other rules and regulations.
- Sanctions can be economic or military coercive measures usually adopted by several nations in concert to force a nation violating international law to desist or yield to adjudication.
- Sanctions can be unilateral, imposed by a single country, or multilateral, involving a collective decision by multiple nations or international organizations.
- Economic sanctions are commercial and financial penalties that typically ban customary trade and financial relations.
- The specific impact of sanctions on a country can vary depending on factors such as the severity of the sanctions, the targeted sectors or individuals, the country's level of economic resilience, and its ability to seek alternative partners or resources (Pape 1997).

Economic sanctions represent the most prevalent form of sanctions, encompassing trade embargoes, bans on financial transactions, and asset freezes. Their impact on a nation's economy is substantial, hindering the import and export of goods and services and restricting access to global financial markets (Drezner 2003). Diplomatic sanctions, on the other hand, encompass measures such as downgrading diplomatic relations, recalling ambassadors, or suspending participation in

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international organizations. These actions tarnish a country's reputation and complicate its engagement with the international community. The most severe category of sanctions, military sanctions, involves actions like arms embargoes, blockades, and airstrikes. Such sanctions are imposed to either deter or penalize aggression or to lend support to democratic movements (Escribà-Folch 2010).

Motivations for imposing sanctions vary widely, but their core objective is the alteration of a targeted state's behavior. This could entail compelling a state to halt its nuclear weapons program, withdraw its troops from a foreign nation, or enhance its human rights standards. Sanctions are also deployed to penalize a state for breaching international law or to dissuade it from specific activities (Hufbauer, Schott, and Elliott 2007). The effectiveness of sanctions remains a topic of debate. Advocates assert that sanctions wield significant influence over state behavior, whereas skeptics argue that they frequently prove ineffective and can lead to unintended outcomes. There have been instances where sanctions demonstrated their potency. For instance, the sanctions enforced on South Africa in the 1980s played a pivotal role in bringing an end to apartheid. However, effectiveness tends to fluctuate, particularly when sanctions lack coordination or are not complemented by other forms of pressure (Baldwin 1985). Additionally, sanctions can inadvertently harm ordinary citizens in the targeted country, leading to economic instability and political unrest. Balancing the intended impact on the target with potential humanitarian consequences is a key challenge in implementing sanctions effectively (Cortright and Lopez 2000).

Economic sanctions, a frequently employed foreign policy tool, continue to be a subject of extensive debate regarding their effectiveness. Numerous influential scholars have delved into this topic, shedding light on the complexities and dilemmas associated with their implementation. Baldwin (Baldwin and Kapstein 2020) emphasizes the intricate nature of sanctions, providing a detailed exploration of their types, historical evolution, and effectiveness, and illuminates the political factors that influence sanction decisions and the challenges tied to their execution. Drezner (2022) argues that sanctions often fall short of their goals, leading to unintended outcomes for both the targeted and sanctioning nations. He underscores the complexities of imposing sanctions in our interconnected global landscape. Haass (1998) posits that sanctions can be potent if applied precisely and strategically. He advocates for reforms to enhance their effectiveness, including precise targeting, coordinated implementation with allies, and clearly defined objectives.

Hufbauer, Schott, and Elliott (2007) provide a comprehensive resource on economic sanctions, encompassing their historical context, associated costs, diverse types, intended targets, and implementation methods. In Giumelli's scholarly analysis (Giumelli 2017) of the European Union's (EU) use of economic sanctions, the author emphasizes their strategic deployment, coordination with other tools, and precise targeting. He delves into the challenges posed by sanctions in today's globalized world, underscoring the necessity for thorough cost-benefit analysis. Mulder (2022) examines a historical case, specifically the Allies' continental blockade during World War I. He argues that while these sanctions caused economic hardship, they did not necessarily weaken the targeted states militarily. Furthermore, he contends that the threat of sanctions inadvertently fueled a push toward autarky, paving the way for challenges to the post-1918 order by aggressive powers like Nazi Germany, Fascist Italy, and militarist Japan. In conclusion, economic sanctions pose intricate challenges. Their effectiveness hinges on various factors, including objectives, coordination with allies, and the resilience of the targeted state. While sanctions can be potent, decision-makers must carefully weigh their potential costs and unintended consequences before implementing them. Precision and strategic intent are crucial in utilizing this tool effectively.

Economic sanctions, frequently employed by major powers, are intended to coerce a change in the targeted nations. However, their track record of success is unimpressive. According to Andreas Kuersten, such sanctions often incur substantial costs for both the sanctioning and targeted states, as well as other affected nations. Kuersten highlights how third countries, including United States (US) allies, undermine these sanctions, enabling their circumvention (Kuersten 2018, 201). Despite decades of sanctions, Cuba, Iran, and North Korea have managed to sustain their political regimes, indicating the limitations of economic pressure as a tool for promoting political change.

While these sanctions have undoubtedly impacted the targeted countries' economies and development, they have not achieved the desired outcomes in terms of altering the course of their

political systems. Authors Julia Grauvogel and Christian von Soes, analyzing global sanctions from 1990 to 2011, found that even severe sanctions can fortify authoritarian governments if the regime successfully incorporates them into its legitimacy strategy. This unintended “flag-circling” effect occurs when sanctions are imposed on regimes with strong legitimacy claims and limited ties to the sanctioning entity (Grauvogel and von Soest 2014).

The issue of sanctions policy is intricate and characterized by diverse and potentially misleading definitions. Richard Nephew offers a sophisticated viewpoint on assessing the efficacy of sanctions, emphasizing the necessity of defining clear objectives, understanding the intricacies of the targeted state, employing precise escalation strategies, maintaining vigilant monitoring, and fostering transparent communication channels. Despite meticulous planning, sanctions can still stumble. Acknowledging this reality, the enforcing entity must be prepared to adapt promptly, lest it faces worsening consequences in the long run (Nephew 2018, 4).

Limitations and Risks of Sanctions:

- **Inconsistent Application:** Sanctions are often applied unevenly, influenced by the interests of the sanctioning states. For instance, nations like Iran, Cuba, and North Korea face sanctions, whereas countries like Saudi Arabia, despite human rights violations, remain unaffected.
- **Economic Adaptation by Targeted States:** Sanctioned countries can adapt by seeking alternative trading partners and financial sources. For instance, Iran managed to continue its oil exports by redirecting trade to countries like China.
- **Collateral Harm to Populations:** Sanctions frequently impact ordinary citizens more than their governments. For example, US sanctions on Venezuela led to shortages of food and medical supplies, significantly affecting the general population.
- **Insufficient Consideration of Costs and Objectives:** Implementing and enforcing sanctions can be costly and may not always yield desired outcomes. For instance, US sanctions on Cuba failed to bring about the intended governmental change despite the investment (Nephew 2018, 5).

When confronted with these difficulties, nations and international organizations, such as the United Nations, employ sanctions as a non-military strategy to promote their foreign policy objectives. Despite their inherent limits, sanctions continue to serve as a crucial instrument for the international community, proving their ability to address a wide range of concerns including armed conflicts, human rights abuses, and the proliferation of weapons of mass destruction.

Nevertheless, it is imperative to recognize that penalties, in their capacity as instruments of economic and financial coercion, may experience a decline in efficacy over an extended duration. This phenomenon occurs due to the targeted state’s frequent ability to devise strategies that bypass these penalties, thereby implementing mechanisms that mitigate the negative consequences of the imposed economic restrictions. Notwithstanding these limitations, the international community persists in relying on sanctions as a result of its distinctive capacity to handle pressing global issues without resorting to military involvement.

1 Decades Under Sanctions: the Challenges Faced by the Islamic Republic of Iran

Before the 1979 Iranian revolution, Tehran maintained a significant alliance with Washington. However, the revolution led to hostility, notably highlighted by the 444-day hostage crisis. In response, the US promptly imposed sanctions, freezing Iranian assets, implementing an energy embargo, and suspending cooperation, severely impacting Iran (Fawcett and Payne 2023). The crisis persisted, allowing Ayatollah Ruhollah Khomeini to consolidate power (Albloshi 2019).

The 444-day hostage crisis epitomized Washington’s response. The US president utilized the International Emergency Economic Powers Act (IEEPA) as a coercive measure. Originally designed to safeguard American banks from the abrupt withdrawal of petrodollars by the Organization of the Petroleum Exporting Countries (OPEC), considering the sharp rise in oil prices during the 1970s, IEEPA was used to freeze USD 12 billion in Iranian assets in US banks. It also led to the implementation of various sanctions, including an energy embargo and suspension of cooperation in multiple sectors, including the military. These measures had a severe impact on Iran, cutting it off

from vital resources and technology. Within days of the hostage crisis, the sanctions disrupted the military sector's access to essential spare parts and munitions (Kwon, Syropoulos, and Yotov 2022).

Despite the Carter administration's belief in the efficacy of implementing sanctions as a means of immediately deterring Iran, the response ultimately proved inadequate, despite the existence of deep-rooted pre-revolutionary ties between Iran and the United States. The protracted duration of the hostage crisis facilitated Khomeini's efforts to solidify his authority and advance his political agenda. Through the act of challenging and humiliating the United States, he managed to garner support in the Middle Eastern region. Nevertheless, it might be argued that Iran's interest in extending the hostage crisis was no longer viable when Iraq initiated an attack on Iran in September 1980. The expeditious removal of the sanctions emerged as a pressing imperative in order to maintain the viability of a defensive conflict. The Algerian Accords, which were signed on January 19, 1981, marked the culmination of efforts to resolve the hostage situation, ultimately leading to its conclusion. The aforementioned treaties effectively permitted the release of more than USD 8 billion in previously frozen assets, which were allocated to compensate for the damages incurred by corporations from both the United States and Iran. Furthermore, it is worth noting that a Special Claims Tribunal was established in The Hague with the purpose of considering a significant number of private claims, surpassing 4,500 in all. These claims have amounted to a substantial sum of over USD 2.5 billion as of the present day (Brulé 2005).

The Algiers agreement failed to effectively address the ongoing tensions between the United States and Iran, as evidenced by Washington's persistent implementation of additional economic penalties. The objective of the imposed sanctions, which encompassed many sectors, such as mining, technology, and banking, was to mitigate Iran's conduct, which encompassed human rights transgressions and endorsement of terrorism (Dizaji and van Bergeijk 2013). The limitations were applied to individuals and had an effect on third countries engaged in transactions with Iranian companies subject to sanctions. According to the US State Department, the aim was to diminish Iran's economic and military capabilities in light of apprehensions regarding its alleged nuclear program and backing of militias and terrorist organizations. It should be noted that the table presented below provides a limited representation of the vast range of sanctions that have been placed on Iran. Over time, the breadth of these restrictions has considerably increased.

The table above provides a detailed summary of the diverse range of the sanctions that have been imposed by the United States on Iran. These measures comprise a broad range, spanning from a complete embargo on commerce and investment to limitations on foreign corporations' investments in Iran's energy sector, some of which were temporarily exempted under the Joint Comprehensive Plan of Action, (JCPOA). The imposition of sanctions encompasses Iran's central bank, designating Iran as a nation that supports and promotes acts of terrorism. Furthermore, these sanctions are focused on corporations that offer aid to Iran's weapons initiatives, as well as those involved in the trade of sophisticated weaponry or offering support for proliferation endeavors.

Moreover, the aforementioned punishments effectively tackle pressing concerns such as infringements on human rights, surveillance of online activities, and the disruption of regional stability. The Countering America's Adversaries via Sanctions Act (CAATSA) includes provisions known as the Arms Transfer and Missile Sanctions, which particularly target the transfer of weapons and entities involved in Iran's ballistic missile program.

2 Iran's Unyielding Regional Pursuits amidst Sanctions Challenges

The strategic importance of Iran stems from its geographical location at the intersection of Asia and the Middle East, affording it a distinct capacity to influence events within the area. Iran's military, which includes the influential Revolutionary Guard Corps, effectively demonstrates its dominance in the region and exerts influence over neighboring countries such as Iraq, Syria, and Lebanon.¹ Additionally, the significant role of Iran as a prominent oil producer contributes to its economic and strategic influence, hence reinforcing its position within the area (Kamrava 2014).

1. See: "The Islamic Awakening: Iran's Grand Narrative of the Arab Uprisings." Middle East Brief by Payam Moh-

Table 1. Selected US Sanctions on Iran

Sanction Type	Description
US Ban on Trade and Investment	Prohibits nearly all US trade and investment with Iran; still in effect.
Sanctions on Foreign Companies in Iran's Energy Sector	Imposed under the Iran Sanctions Act, targeting firms investing over USD 20 million in Iran's petroleum sector; waived under The Joint Comprehensive Plan of Action (JCPOA).
Sanctions on the Iranian Central Bank	Prevent foreign banks dealing with Iran's central bank from opening US accounts, with exceptions under specific conditions.
Terrorism List Designation	Iran was designated as a "state sponsor of terrorism" by the Secretary of State.
US Ban on Trade and Investment	Prohibits nearly all US trade and investment with Iran; still in effect.
Sanctions on Foreign Companies in Iran's Energy Sector	Imposed under the Iran Sanctions Act, targeting firms investing over USD 20 million in Iran's petroleum sector; waived under JCPOA.
Sanctions Against Firms Aiding Iran's Weapons Programs	Enforced through the Iran-Syria-North Korea Nonproliferation Act.
Sanctions Against Firms Selling Advanced Arms	Regulated by the Iran-Iraq Arms Nonproliferation Act, targeting companies selling destabilizing weapons or weapons of mass destruction WMD technology to Iran.
Ban on Transactions with Entities Supporting Terrorism	Authorizes a ban on US transactions with entities backing international terrorism, including select Iranian entities.
Ban on Transactions with Entities Supporting Proliferation	Prohibits US transactions with entities aiding international proliferation of WMDs, involving various Iranian entities.
Disinvestment	Protects investment managers divesting from companies involved in sanctionable transactions with Iran.
Sanctions Against Human Rights Abuses, Internet Monitoring, and Regional Activities	Targeted at Iranian human rights abusers, companies selling monitoring equipment, and entities undermining human rights or destabilizing regions.
Arms Transfer and Missile Sanctions in Countering America's Adversaries via Sanctions Act (CAATSA)	Imposes sanctions on arms sales and entities contributing to Iran's ballistic missile program, as mandated by CAATSA.
May 8, 2018, JCPOA Withdrawal	Encompasses restrictions on Iran's US currency purchases, gold trade, sale of automotive parts, commercial passenger aircraft, and related services, with some measures remaining post-sanctions imposition.
Sanctions Against Human Rights Abuses, Internet Monitoring, and Regional Activities	Targeted at Iranian human rights abusers, companies selling monitoring equipment, and entities undermining human rights or destabilizing regions.

Source: Based on "Iran Sanctions." Report by Kenneth Katzman, RS20871, updated February 2, 2022, Congressional Research Service, available at <https://sgp.fas.org/crs/mideast/RS20871.pdf>.

It is noteworthy that the operations carried out by the United States inadvertently contributed to the strengthening of Iran's geopolitical standing, hence resulting in increased international scrutiny regarding Iran's nuclear aspirations. Under the Obama administration, a series of negotiations were coordinated, ultimately resulting in the establishment of the Joint Comprehensive Plan of Action (JCPOA) in 2015.

The aforementioned agreement effectively required Iran to undertake substantial reductions in its nuclear programs, encompassing limitations on centrifuge numbers, uranium stockpiles, and enrichment levels. The JCPOA implemented limitations on significant nuclear sites such as Natanz and Fordo, while concurrently enabling the reconfiguration of the Arak reactor. Iran's adherence to regulations was maintained through the implementation of rigorous and ongoing inspections conducted by the International Atomic Energy Agency (IAEA). As a reciprocal measure, the sanctions imposed on Iran's oil, banking, investment, insurance, shipping, and precious metals sectors were eased (Valerio Jovan 2021). The aforementioned accord is a significant milestone in global endeavors to confront Iran's nuclear aspirations, exemplifying the intricate equilibrium between diplomatic discussions and the maintenance of regional stability. However, President Donald Trump vehemently opposed the JCPOA, withdrawing from the agreement on May 8, 2018. His administration imposed strict sanctions and initiated the policy of maximum pressure. Secretary Michael Pompeo outlined specific demands for Iran to normalize its international relations, including ending support for Hezbollah, withdrawing from Syria, lifting threats against its neighbors, disarming Shia militias in Iraq, and halting ballistic missile proliferation.² The policy of maximum pressure on Iran has provoked maximum resistance from Tehran.

Iran's ability to endure and thrive amidst prolonged sanctions can be attributed to several key factors. Firstly, the country benefits from a demographic advantage, boasting a population of over 80 million and a youthful workforce, driving economic growth and fueling a burgeoning consumer market (Akbarialiabad, Rastegar, and Bastani 2021). Additionally, Iran's abundant natural resources, making it the fourth-largest oil producer and the sixth-largest natural gas producer globally, serve as a crucial revenue source and provide a level of energy security (Kokabisaghi 2018).

Iran's resilience is evident in its adept use of various strategies to bypass sanctions. Leveraging a significant informal economy and a network of front companies, the country sustains trade and international interactions. Furthermore, support from nations like Russia and China, which continue trading with Iran despite sanctions, has been instrumental in sustaining its economic activities.³

However, it is undeniable that the Iranian economy has suffered significantly due to sanctions. Restrictions on accessing international financial markets and participating in global trade have resulted in soaring inflation, high unemployment rates, and increased poverty levels. Ordinary Iranians have faced challenges in various aspects of their lives, including travel, sending funds abroad, and accessing essential goods and services.

To overcome these challenges, Iran has employed a range of tactics to evade sanctions and maintain trade relations with foreign countries. These methods include the use of front companies to obscure ownership and facilitate trade (Kokabisaghi 2018). Moreover, Iran has developed its financial messaging system, such as the System for Electronic Payment Message (SEPA), and has embraced cryptocurrencies to sidestep international financial messaging systems such as the Society for Worldwide Interbank Financial Telecommunication (SWIFT) (Ronaghi 2022). Despite sanctions, Iran continues to engage in trade with blacklisted nations such as Russia, China, and Venezuela (Ghodsi and Karamelikli 2022). Additionally, Iran resorts to smuggling goods and services in and out of the country to evade sanctions effectively (Shahabi et al. 2021). These clever strategies enable Iran to maintain economic activities and mitigate the impact of the sanctions imposed by the United States and other nations, demonstrating the country's resilience in the face of adversity.

Iran and Russia have forged a robust tactical partnership, notably intensified since the 2022 Ukraine conflict. Russia has emerged as Iran's primary military supporter, and Iran, in turn, aids Russia in the Ukraine war. Iran seeks to buy billions of dollars worth of military equipment from Russia, ranging from fighter jets to combat trainer aircraft. Iran has supplied hundreds of reconnaissance and suicide drones to Russia, and Revolutionary Guards have reportedly trained Russian

2. See: "In Hard-Line Speech, Pompeo Criticizes Iran's Behavior." <https://www.nytimes.com/2018/05/21/world/middleeast/pompeo-iran-government-speech.html> (accessed 2023.12.04).

3. See: "The Russian-Iran Partnership in a Multipolar World." Report by Clément Therme. *Russie.NEI.Reports*, No. 37, Ifri, March 2022, available at https://www.ifri.org/sites/default/files/atoms/files/therme_russian_iran_partnership_2022.pdf.

counterparts in occupied Crimea. They have also signed agreements to manufacture drones in Russia and aim to establish substantial military and security relations.⁴

In summary, Iran and Russia's strategic partnership, which particularly intensified since the 2022 Ukraine conflict, encompasses extensive defense cooperation, joint military exercises, and the supply of drones by Iran. This relationship, rooted in a complex and shared history, poses a direct challenge to the global United States position, European stability and global governance institutions established by the Western powers.

It is also crucial to consider the cost of the sanctions for the issuing countries, such as the USA. The financial and trade sanctions imposed by the USA excluded the EU from the Iranian market, hindering economic opportunities. Scholars like Ray Takeyh and Suzanne Malone argue that the US reliance on sanctions, coupled with alternating between coercion and negotiations, has proven ineffective in changing Iran's behavior. Despite causing considerable hardship, these sanctions have failed to alter Iran's policies or government (Takeyh and Maloney 2011).

Furthermore, the impact of these sanctions on the US economy has been substantial. Research by Jonathan Leslie, Reza Marashi, and Trita Parsi highlighted significant losses, ranging between USD 134.7 billion and USD 175.3 billion, with the loss of over 200,000 job opportunities in some years due to the sanctions.⁵ This underscores the economic consequences faced by the imposing nations. In addition, the sanctions imposed on Iran by both the US and the EU have resulted in Western companies losing access to the Iranian market. In consequence, potential European business partners have been predominantly replaced by Chinese firms, further altering the global economic landscape.

The sanctions imposed on Iran not only have severe economic implications for the country, leading to increased unemployment and inflation rates, but also impact European companies. These businesses have the option to terminate contracts with their Iranian counterparts, potentially causing billions of dollars in cancelled deals and undermining a significant new export market due to the influence of the US. The sanctions also impact third parties, imposing high costs on economic and financial cooperation. These costs are not just theoretical but become very real in the event of sanctions violations.

Even the JCPOA agreement, which suggested the lifting of certain sanctions, failed to create a significant impact. Many Western companies remained cautious about making substantial invest-

Table 2. Selected fines paid (in million USD) by banks for violations

Bank	Date	Amount	Violations
UBS (Switzerland)	year 2004	100	Unauthorized movement of US dollars to Iran and other countries
Credit Suisse (Switzerland)	December 2009	536	Illicitly processing Iranian transactions with US banks
ING (The Netherlands)	June 2021	619	Concealing the movement of billions of dollars through the US financial system for Iranian and Cuban clients.
Standard Chartered (UK)	April 2019	639	The Dubai branch of Standard Chartered processed Iran-related transactions to or through Standard Chartered – New York.
Unicredit AG (Germany, Austria, Italy)	April 2019	1,300	Illegally processing transactions through the US financial system on behalf of the Islamic Republic of Iran Shipping Lines (IRISL)

Source: Based on "Iran Sanctions." Report by Kenneth Katzman, op. cit.

4. See: "Iran. A View from Moscow." Report by Dmitri Trenin and Alexey Malashenko. arnegie Endowment for International Peace, 2001, available at https://carnegieendowment.org/files/iran_view_moscow.pdf.

5. See: "Losing Billions. The Cost of Iran Sanctions to the U.S. Economy" by Jonathan Leslie, Reza Marashi and Trita Parsi, National Iranian American Council, July 2014, available at <https://www.niacouncil.org/wp-content/uploads/2016/12/Losing-Billions-The-Cost-of-Iran-Sanctions.pdf>.

ments in Iran. These concerns and hesitations were completely justified because, following the US withdrawal from the JCPOA in May 2018, the previous sanctions were reimposed, and new ones were introduced. These costs and restrictions discourage Western businesses, which have now lost access to a market comprising over 80 million people for the foreseeable future. It is essential to note that EU member states lack the ability to strengthen their energy collaboration with Iran, which may potentially serve as an alternate source, particularly for liquefied natural gas, in comparison to other providers.

It is pertinent to make mention of a recent and contentious decision made by the Washington administration, which entailed the transfer of USD 6 billion in frozen assets to Tehran in exchange for the liberation of five individuals detained in Iran. The aforementioned situation resembles paying a ransom, and it has been instigated by the Biden administration. This transaction was made feasible with the release of USD 6 billion worth of Iranian assets held in South Korea, predominantly including payments for its petroleum exports.⁶

The oversight of the USD 6 billion allocated to Iran by the US Treasury for humanitarian purposes raises concerns about potential implications for Iran's military programs. Teheran apprehends individuals from Western nations as a means to exert influence on their respective governments. The perceived efficacy of this program, as evidenced by the partial release of Iranian financial assets, does not signify a significant advancement. On the contrary, it highlights Tehran's heightened political position and multifaceted strategies of exerting pressure. On one hand, the presence of hostages is seen; on the other hand, Iran continues its pursuit of an atomic program and its prospective militarization in defiance of the sanctions imposed against it.

Conclusion

The efficacy of United States sanctions as a means of imposing economic and financial pressure on Iran has been shown to be doubtful. This is apparent from Iran's capacity to adjust to the imposed restrictions and successfully navigate around them. Despite the imposition of sanctions, Iran persists in upholding a substantial regional influence, steadfastly pursuing its objectives while simultaneously retaining its nuclear program and providing unwavering support to its proxies, such as Hezbollah, Hamas, and the Houthis. Moreover, Iran continues to have a significant influence in the Syrian conflict.

Iran has cultivated a strategic partnership with Russia alongside its regional sphere of influence. Moscow perceives Iran as a significant provider of unmanned aerial vehicles (UAVs) and has actively pursued investment prospects in Iran's nuclear program over an extended period of time. The relationship between Moscow and Tehran has been influenced by shared experiences emerging from Western sanctions pressure, leading Russia to view Iran as a model for evading sanctions.

The principal objective of sanctions is to elicit a modification in unwanted conduct from the standpoint of the person imposing the consequences. Although sanctions have been successful in expediting political reforms in certain instances, such as the case of apartheid, their effectiveness has frequently been called into question. The aforementioned actions have not resulted in the disarmament of North Korea, the mitigation of Russia's aggression towards Ukraine, or the modification of the conduct exhibited by Iranian authorities.

Furthermore, the implementation of penalties may lead to unexpected repercussions, strengthening extremist trajectories. This phenomenon is clearly exemplified by Iran and Russia. Moreover, the emergence of strategies to circumvent economic sanctions, particularly in an increasingly multipolar global landscape, presents a significant obstacle. The economic implications of sanctions have a significant effect on enterprises operating in Western nations, leading to their isolation from potentially profitable markets.

The efficacy of sanctions is diminishing, with less success in achieving the intended objectives for the state imposing them. Furthermore, in their ineffectiveness, these tools serve to expose the

6. See: "Iran's \$6bn Hostage Deal Is Part of a Broader Diplomatic Strategy." *The Economist*, September 18, 2023, <https://www.economist.com/middle-east-and-africa/2023/09/18/irans-6bn-hostage-deal-is-part-of-a-broader-diplomatic-strategy> (accessed 2023-12-05)

inherent vulnerabilities of the sanctioning state, as it demonstrates its inability to effectively enforce its regulations upon other actors within the realm of international relations. In order for sanctions to exert their intended pressure as a tool, it is imperative to foster a wider scope of international collaboration. Nevertheless, the feasibility of such an endeavor in an ever more multipolar global landscape, characterized by intensifying competitiveness and constrained avenues for implementing multilateral sanction strategies, remains a subject of ongoing inquiry.

In a context of global polarization, the efficacy of sanctions diminishes due to the voluntary non-compliance of certain nations with the Western-imposed penalties. The decision to sustain diplomatic ties with sanctioned nations is driven by the economic and financial advantages it offers. In some cases, Western firms may participate in the evasion of sanctions through the use of intermediaries, and they may accept such actions as a result of prioritizing corporate growth over adherence to the imposed penalties. Therefore, we are faced with a system that is both permeable and ineffective, which calls for a comprehensive analysis of the necessary restructuring of sanctions in order to effectively serve as a powerful tool for exerting pressure on governments that violate international norms.

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