

# Athens Institute

Working Paper No. 2025-2780-25

10 September 2025

## **Rebound Effects: The Unintended Consequences of International Sanctions**

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This paper should be cited as follows:

Abo Elela, Abdelmageed (2025) Rebound Effects: The Unintended Consequences of International Sanctions. Published by the Athens Institute: Working Paper No. 2025-2780-25, 10 September 2025. Pages 1-18

No.: 2025-2780-25

Date: 10 September 2025

DOI:

ISSN: 2241-2891

Previous Working Papers available at: [www.atiner.gr/papers.htm](http://www.atiner.gr/papers.htm)

*This series began in 2012 and was known as the Conference Paper Series until 2024. In 2025, the series was renamed and is now called the Working Paper Series.*

## **Rebound Effects: The Unintended Consequences of International Sanctions**

*By Abdelmageed Abo Elela\**

*In recent years, international sanctions have gained increasing momentum and attention due to their growing use by countries and international and regional organizations. These actors resort to sanctions as a tool driven by various factors and to achieve multiple objectives. However, despite the preference of countries for sanctions as a means of expressing positions and exerting pressure on other nations, and their increased use, they are not considered an entirely successful tool. There is a growing international debate on the effectiveness of sanctions, given some international examples that suggest they have not succeeded, and the efforts of targeted states to employ various mechanisms to escape the impact of international sanctions. Furthermore, certain constraints contribute to the failure of sanctions, making them ineffective and unable to achieve their goals. In addition to their lack of effectiveness, international sanctions may have unintended repercussions or counterproductive results that harm the sanctioning state, undermine the objectives they seek to achieve in the sanctioned countries, or create negative international effects. Even though international sanctions are increasingly used as a tool in international relations to force state actors to make certain decisions or follow specific paths, or to deter and punish them for certain policies and actions, these sanctions do not always achieve the interests and goals of the imposing parties. On the contrary, they can backfire, producing results that contradict their intended purpose. Sanctions may have side effects that negatively impact the countries and parties that imposed them. Furthermore, they may allow the targeted parties to exploit the sanctions to their advantage, using them to achieve greater interests and neutralize their impact. Moreover, sanctions may have harmful social and humanitarian effects, despite the fact that many sanctions are imposed to address violations against local communities or breaches of law and international agreements, at least according to the stated reasons. Often, it is the vulnerable groups within societies who are most affected, rather than the authorities the sanctions are intended to deter. In fact, these authorities may even exploit the sanctions imposed on the country to their advantage. The risks of the reverse effects of sanctions increase, particularly when some sanctions take on a global character, affecting other actors beyond the sanctioning parties. These sanctions also cause long-term issues and risks, the effects of which persist even after the sanctions are lifted. While there is significant international interest in sanctions and a reliance on their role in achieving many foreign policy goals and international decisions, this paper sheds light on the other side, exploring the negative aspects that need to be addressed in order to develop smarter, less harmful approaches.*

**Keywords:** *Sanctions - Unintended consequences – Backfiring - Negative effects - Foreign policy*

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## **Introduction**

Over the past few years, international sanctions have gained increasing momentum and attention due to their growing use by states and international or regional organizations. Countries have turned to sanctions as a tool driven by various factors to achieve diverse goals (Abo Elela, 2021). Despite the fact that sanctions are favored by states as a means of expressing positions and exerting pressure on other nations, and despite their rising use, they do not prove to be an entirely successful tool. There is increasing global debate surrounding the effectiveness of sanctions, as evidenced by certain international examples where sanctions have failed to achieve their intended objectives. Moreover, the targeted countries often resort to several mechanisms to evade the effects of these sanctions (Abo Elela, 2021). In addition to their inefficacy, sanctions may result in counterproductive consequences, which can harm the sanctioning nation itself, counter the goals they are intended to achieve, or leave negative international impacts. This essay explores the potential unintended negative consequences of sanctions on the sanctioning countries.

## **The Potential Negative Rebound Effects of Sanctions on the Imposing Countries**

One of the most apparent negative consequences of sanctions on the sanctioning countries is the harm inflicted on their businesses, economy, and foreign investments. Sanctions imposed on a specific nation can have adverse economic repercussions for the sanctioning country, leading to the loss of economic and trade opportunities that it once enjoyed. In many cases, economic sanctions are harmful both to the imposed country and to the sanctioning nation, and in some instances, they might even be more damaging to the latter. For example, when U.S. President Donald Trump threatened in 2020 to impose sanctions on Hong Kong and revoke the special trade status of the city, reports indicated that these sanctions would negatively impact American companies operating in Hong Kong. At the time, more than 1,300 American companies were based in Hong Kong, including major financial institutions. In 2018 alone, American foreign direct investment in Hong Kong was valued at \$82.5 billion (Wang 2020). Similarly, the European Commission noted that the European sanctions imposed on Russia in response to the annexation of Crimea in 2014 reduced the European Union's GDP growth by 0.3% in 2015, at a time when the EU was seeking economic expansion (Francis and Jakes 2016).

Another unintended consequence of sanctions is the rise in prices for certain products and production inputs. The degree of dependence on entities or countries targeted by sanctions is one of the factors determining the extent to which the sanctioning country is negatively affected. For instance, when the United States imposed sanctions on the Russian aluminum company Rusal in 2018, which produced approximately 7% of the world's aluminum, aluminum prices surged by more than 10%. After facing complaints and pressure from U.S.

businesses, the Trump administration issued licenses and eventually lifted the sanctions (Fishman 2020). Additionally, imposing higher tariffs on imports from a specific country results in additional costs for consumers, forcing them to buy products at higher prices. This occurred when the U.S. imposed higher tariffs on Chinese goods in 2018, leading American consumers to pay more for Chinese products (Embargoes 2020). Furthermore, the sanctions imposed on Russian oil and gas in 2022 due to the Ukrainian war also had detrimental effects on the European continent, as European countries saw their energy bills rise, adversely affecting consumers (*Sky News Arabia* 2020).

The imposition of sanctions can also result in substantial trade losses. Economic sanctions deprive a country of important trade opportunities, often causing long-term losses that may amount to billions of dollars. This impact increases as more countries are subjected to sanctions and the size of their markets and trade activity grows. The imposition of sanctions and restrictions on dealings with Hong Kong had a direct economic impact on the U.S., resulting in significant losses for American businesses, especially in the export sector (Wang 2020). Moreover, the reduction in exports due to sanctions is not just a loss of anticipated profits—it also negatively affects employment rates and wages in the affected industries (Elliott 1997). In 2014-2015, the European sanctions on Russia resulted in a drop in trade between Moscow and Berlin by approximately €12 billion, about a quarter of the total trade value, leading to warnings of a potential loss of 400,000 jobs. The Austrian Institute of Economic Research even estimated that continuing the sanctions against Russia due to the Crimea crisis could result in over €92 billion in lost export revenues and the loss of more than 2.2 million jobs (Francis and Jakes 2016).

Sanctions can also lead to a decrease in the financial influence of the sanctioning country in the global arena. Financial influence plays a pivotal role in a country's economic power and its ability to attract investments. Yet, when sanctions are imposed frequently and indiscriminately, they may damage the very financial systems that the sanctioning nation relies on. Richard Nephew, the architect of U.S. sanctions on Iran, and former U.S. Treasury Secretary Jack Lew have both cautioned that an overuse of sanctions could reduce the United States' financial dominance (Masters 2019). If nations start to view the U.S. financial system as overly interventionist or unreliable, they may begin to search for alternatives. This shift could result in a decline in the use of the U.S. dollar as the world's dominant reserve currency, with detrimental long-term consequences for U.S. economic influence (*The New York Times* 2021).

Russia's countermeasures in response to U.S. sanctions represent concerted efforts to erode American financial hegemony by establishing alternative financial infrastructures. A notable initiative in this regard is the development of the Mir payment system, intended to function independently of U.S.-based corporations such as Mastercard and Visa. Russia has actively sought to promote the adoption of this system in a wide range of countries, particularly those that attract Russian tourists or maintain robust financial exchanges with Moscow. In parallel, Russia has introduced the SPFS (System for Transfer of Financial Messages) as a substitute for the Western-dominated SWIFT network.

Participation in SPFS has increased markedly since the onset of the war in Ukraine and the subsequent escalation of Western sanctions. Furthermore, Russia has intensified its de-dollarization strategy by requiring payments for gas and oil exports to sanctioning countries to be conducted in Russian rubles—an approach aimed at both undermining the global dominance of the U.S. dollar and reinforcing the value of the national currency (Abu Taleb 2022).

Sanctions also have the potential to benefit the economic competitors of the sanctioning country. When a country is cut off from a vital market, other countries may seize the opportunity to increase their economic ties with the sanctioned nation. For instance, when the U.S. and Europe imposed sanctions on Russia, countries such as China and India quickly capitalized on the situation, increasing trade with Russia. China, in particular, has taken advantage of the situation by offering economic partnerships to countries subject to U.S. sanctions, such as Myanmar and North Korea (Mishra 2021). Similarly, the U.S. embargo on Cuba during the Cold War allowed the Soviet Union to increase trade with Cuba, particularly in agricultural products like sugar that the U.S. refused to purchase, helping to sustain the Cuban economy and neutralize the effects of U.S. sanctions (*Embargoes 2020*).

In addition, sanctions may result in the formation of counter-alliances, as countries subjected to sanctions seek to strengthen ties with other countries in an effort to undermine the sanctioning nation's power. For example, North Korea's response to U.S. sanctions was to deepen its relationship with China (Ahn and Ki 2010), particularly in defense cooperation and missile technology (Salisbury 2017). Moreover, reports indicate that North Korean weapons have been transferred to the Houthis in Yemen with Iranian financial backing, alongside the provision of nuclear and missile technology to Tehran. Both countries perceive enhanced cooperation against what they refer to as their "common enemy" as a strategy to alleviate the impact of the so-called "American blockade", advance their mutual interests in opposing Washington, and diminish the effectiveness of U.S. sanctions (Leila 2018). Likewise, sanctions imposed on Russia following its annexation of Crimea led to closer ties between Moscow and Beijing, with both countries seeking to mitigate the effects of Western sanctions. These alliances serve not only to counteract the effects of sanctions but also to challenge the geopolitical influence of the sanctioning nations (Gravitas Desk 2021).

Lastly, sanctions may contribute to the fragmentation of international coalitions and partnerships. One of the key elements of successful sanctions is the coordination of a collective international stance against the target country. However, this can be difficult to achieve due to differences in national interests and the varying degrees of commitment among allies. A notable example of this is the difficulty the United States faced in convincing non-European allies to comply with sanctions. The U.S. sanctions against Iran, for instance, were not universally supported, as many European countries, including Germany, France, and the U.K., rejected the reimposition of sanctions after the U.S. withdrew from the Iran nuclear deal. Additionally, these countries sought to protect their economic interests and companies that had business dealings with Iran. This

highlights the challenges faced by sanctioning countries in ensuring that their sanctions are adhered to globally, and the risks of alienating their allies when sanctions conflict with broader economic and strategic interests (Zenend 2020).

Furthermore, the ongoing war in Ukraine has revealed deep divisions within the European Union itself regarding the sanctions imposed on Russia. These disagreements include varying opinions on the scope of the sanctions, the specific goods and sectors to be targeted, and the overall effectiveness of the sanctions in achieving the desired political outcomes. The lack of unity within the EU has resulted in political tensions and undermined the effectiveness of the sanctions, demonstrating the challenges that arise when attempting to enforce collective action in international sanctions (Yacoub 2023).

### **Potential Outcomes Opposite to the Goals of Sanctions**

Whereas states or international or regional organizations, when designing and imposing sanctions, aim to achieve a number of goals in the countries on which the sanctions are imposed by intensifying pressure and increasing the cost on their governments to comply with the desires of the international actors imposing the sanctions, the reality is that international sanctions may not only fail to achieve those goals but may also cause matters to become more complicated and increase the challenges facing the entities imposing them. This occurs through outcomes that contradict and oppose their objectives, being entirely contrary to what was expected. In such cases, sanctions represent negative values—not even neutral or zero impact—for the countries that designed them.

While some states and institutions, when imposing sanctions, claim that their aim is to serve the interests of the citizens in the targeted country and emphasize that their disagreement is with specific individuals, entities, or governments rather than with the country and its people, this often leads to unintended consequences. In many cases—especially in the context of comprehensive sanctions—innocent individuals and ordinary citizens are affected despite bearing no guilt, which violates principles of justice and the notion that penalties should correspond to specific crimes, as a well-established legal principle stipulates that a penalty should be linked to the guilt committed by the individual subject to punishment.

Comprehensive sanctions affect everyone. Their restrictions extend beyond officials or intended targets and have widespread consequences for individuals who were neither expected nor intended to be punished or restricted. Consequently, such sanctions are often described as a form of collective punishment that penalizes the innocent alongside the guilty and impacts ordinary citizens rather than solely officials, governments, or individuals accused of wrongdoing. These critiques of comprehensive sanctions have prompted a shift toward designing smart sanctions (Ellis, n.d.).

While the rationale for imposing sanctions is to end violations or halt aggression—even if they come at a cost—the real crisis is that citizens suffer

from both the consequences of aggression or violations and the burdens of the sanctions themselves, particularly when these sanctions persist over extended periods. The problem deepens when sanctions target civilian goods, dual-use items, and vital sectors such as oil and food. Some argue that the governments and key figures targeted by the sanctions often succeed in circumventing them and avoiding their effects, while ordinary citizens lack such means and may suffer to an even greater extent.

International sanctions have a clear impact on the economic conditions of the state, which in turn affect the economic circumstances and living standards of citizens across all classes. The effects are particularly severe for the middle and lower classes, who may already be suffering under the economic policies of their governments. Sanctions undermine economic growth and production rates, negatively impact the labor market and wage growth, and lead to rising unemployment. Additionally, they drive up inflation due to restricted imports and currency crises. Sanctions also contribute to credit and financial crises and increase citizens' financial difficulties, as witnessed in the Russian case. Restrictions on money transfers further impact the living conditions of poor families—as seen in Somalia and Syria—especially since such remittances are often the primary source of income for many households (Francis and Jakes 2016). Beyond the difficulties of financial transactions, ordinary Syrians, for example, have suffered from limited access to fuel and rising prices, as well as from reluctance among commercial partners to deal with them due to fear of sanctions (Mehchy 2020). Moreover, sanctions push ruling regimes to intensify citizens' hardships, urging them to buy smaller quantities of essential goods under the pretext of dwindling state resources and the impact of sanctions and blockades, as in the North Korean case (Ward 2020). As economic sanctions increase trade risks, businesses operating in these markets respond by raising profit margins, the cost of which is borne by citizens, who face sharp price increases—particularly for imported or smuggled goods (Mehchy 2020).

Sanctions also harm public health and medical care, which contradicts the stated goals of sanctions—especially those imposed under the banner of human rights. This harm manifests in the reduced availability of medical supplies and the rising rates of malnutrition and related health damage. For example, the U.S. embargo on Cuba affected citizens' health and nutrition levels and, according to some estimates, significantly increased suffering and mortality. This impact included the disruption of importing medical goods, such as medicines, equipment, and surgical tools. Reports attribute the deaths of more than half a million Iraqi children during Saddam Hussein's rule to sanctions-related malnutrition. Sanctions on Iran led to shortages and price hikes in essential foodstuffs and medicines—especially anesthetics and medications for cancer, diabetes, epilepsy, eye injuries, leukemia, and bullous pemphigoid—causing numerous deaths. Despite humanitarian exceptions the U.S. administration cites for the pharmaceutical sector, sanctions, particularly those targeting banks and financial institutions, in practice complicate procurement processes. Iran, for instance, faced significant challenges in paying for COVID-19 vaccines due to frozen overseas assets and sanctions on its banking system (The New York

Times 2021). Similarly, U.S. sanctions on Venezuela adversely affected citizens' health, notably through reduced per capita caloric intake. The former UN Special Rapporteur on the Right to Food, Hilal Elver, affirmed that continued sanctions undermine the basic right to adequate food, citing Syria, Venezuela, Iran, Cuba, and Zimbabwe as examples of countries where sanctions cause malnutrition and food shortages (Westbrook 2020).

Although sanctions are not designed to target ordinary, innocent citizens, they nonetheless disproportionately harm them—especially vulnerable groups. Criticisms of sanctions often note their failure to account for gender differences and the increasing hardships faced by women in crisis-affected countries. The same applies to children, persons with disabilities, minorities, the marginalized, and refugees. An analytical study of 146 countries from 1971 to 2005 found a negative impact of sanctions on women's rights, their societal status, labor force participation, and workplace equality indicators. The economic repercussions of sanctions also deepen inequalities, particularly affecting vulnerable groups through job losses and wage reductions, widening the poverty gap and worsening income inequality. Simultaneously, sanctions reduce governments' capacity to provide protection, security, and social welfare programs (Westbrook 2020).

Sanctions cause several societal risks, including deepening the economic and living crises for individuals, which increases the susceptibility of local environments to violence—whether societal, domestic, extremism, or violence motivated by ideological and religious causes. This is particularly true when economic crises foster feelings of frustration, anger, and helplessness. Studies show a correlation between high crime rates and deteriorating economic conditions (Westbrook 2020).

The humanitarian consequences and political implications of sanctions offer opportunities for extremist movements that may exploit these situations to recruit disaffected youth who are angered by the political implications of sanctions or affected by their outcomes. These movements might also use sanctions as a pretext to justify terrorist actions, portraying them as acts of resistance against what they term as "enemies of religion"—a label used by terrorist organizations—"who target Muslim families, women, and children with sanctions". It is important to note that this portrayal of Muslims as victims is part of the rhetoric used by these extremist groups. These groups use humanitarian rhetoric to justify their operations, blaming the states imposing sanctions for causing disease, hunger, death, and economic hardship. Terms such as "siege" and "war" are used to send political messages and undermine the effectiveness of sanctions in deterring the activities of these organizations.

Sanctions, being an aggressive and harsh measure against the targeted state, may foster the rise of extremist movements and promote more hardline and conservative political trends. This is especially the case in heated political environments and escalating hostilities in international relations and foreign policy. Sanctions are often perceived as an alternative to military conflict or as a form of economic warfare. For instance, when U.S. President Donald Trump withdrew from the Iran nuclear agreement and imposed a new round of sanctions, it provided political leverage to conservative hardliners in Iran,

leading to the rise of Ebrahim Raisi in the 2021 elections, reflecting the growing influence of the conservative movement and its hardline stance against the U.S., the West, and the nuclear deal (Hakimian 2019).

Civil society plays an important role in the development and democratization of societies. While Western governments often advocate for supporting civil society as part of their democratic and developmental models, sanctions can undermine and hinder these efforts in several ways. States may directly prohibit humanitarian aid or prevent non-governmental organizations (NGOs) from sending aid to sanctioned countries. In some cases, organizations may avoid such actions voluntarily to prevent violating sanctions or being misinterpreted as breaching them.

Although financial transfers for humanitarian, relief, or health purposes are technically exempt from sanctions, banks are reluctant to engage with organizations active in sanctioned countries due to concerns about violating sanctions, particularly U.S. regulations. Human rights organizations are especially harmed by sanctions because they place them in opposition to the government. While sanctions are often justified by confronting human rights violations, governments can exploit the logic of sanctions as a justification for further restricting human rights organizations, portraying them as aligned with "foreign enemies responsible for sanctions and economic suffering". In Iraq in the 1990s, sanctions contributed to the destruction of civil society and fueled sectarian politics (Hakimian 2019). Similarly, sanctions on Syria undermined the role of civil society organizations, especially during the COVID-19 pandemic, and hindered small and medium-sized reconstruction and rehabilitation projects (Westbrook 2020).

Sanctions, by restricting the legal flow of goods, encourage the development of illegal trade routes and black markets, creating groups that profit from the crisis and worsening living conditions. As people unable to obtain basic necessities legally turn to the black market, the increased demand gives rise to groups that benefit from the sanctions and their economic and social consequences. These groups are sometimes described as a "mafia-like class." In addition, political groups involved in black market activities or supported by the government play a growing role. For instance, Saddam Hussein's regime relied on Sunni tribes to smuggle oil, which strengthened their influence (Ouverson 2018). In Syria, years of sanctions and war created networks of profiteers and warlords who controlled the black market. A greater risk emerges when these groups grow powerful enough to influence policymakers, redistributing power and wealth in their favor, often in partnership with criminal organizations that operate smuggling routes and collaborate with other criminal networks (Mehchy 2020).

While the states imposing sanctions aim to weaken and undermine the targeted regimes, sanctions can have adverse effects from which those regimes benefit and turn to their advantage. Economic sanctions, when their negative effects impact the citizens and their living standards, rather than being limited to harming the elite, provide an opportunity for the regimes and governments targeted by the sanctions to mobilize public opinion against the sanctioning

states. These regimes can blame the external sanctions for the deterioration of the country's economic, living, political, and security conditions, presenting these sanctions as a weapon and an external threat intended to harm the state and its people. While sanctions aim to generate suffering that pressures citizens to overthrow their government in favor of one that aligns with the interests of the sanctioning state, citizens may instead refuse to support the parties allied with foreign governments that are directly responsible for their suffering (Chartier 2019).

For example, while the recent Western sanctions on Russia are intended—among other things—to intensify local and popular pressure on the Russian regime to reverse its military operation in Ukraine, with some hopes that this pressure could lead to the overthrow of President Vladimir Putin's regime, Putin has worked to exploit those sanctions to reinforce his political rhetoric about Western hostility towards Moscow. He has used the sanctions to argue that their goal is to make Russian citizens suffer and destabilize Russian society (*DW Arabic* 2023). Similarly, the Iranian and North Korean regimes have used the sanctions issue to incite popular hostility towards Washington (Gravitas Desk 2021).

Sanctions provide an opportunity for governments to disclaim responsibility for the deterioration of the country's conditions, shifting the blame onto the sanctions and external parties. Instead of increasing popular pressure on governments for their poor performance, these regimes hold sanctions responsible for the country's deteriorating living conditions and citizens' hardships, especially in vital sectors, ultimately leading to the economic collapse of some countries. This is evident in calls to lift what is referred to as the "economic blockade" raised by some governments and civil society organizations after sanctions were imposed on their countries. For example, calls to lift what is referred to as the "economic blockade" on Syria gained traction among many prominent figures in Syria and received official media support (Mehchy 2020). Cuba also considers the American "economic blockade" as the cause of its poverty (*Embargoes* 2020). With government control over media content and the suffering of ordinary citizens due to the effects of sanctions, the masses can be incited against the direct cause of the deterioration—namely, the sanctions—even if those sanctions were originally imposed to address the underlying causes of the deterioration. Attention can thus be diverted from the fundamental issues, which may stem from the government's own policies (Peters 2017).

Moreover, isolation and media control make it easier for governments to blame the suffering of the state and its citizens on the "external enemy," portraying the external policies, conspiracies, and sanctions as the main threats to the state's sovereignty and prosperity.

Sanctions aim to generate enough economic damage to bring about political disintegration within the targeted state, forcing it to comply with the demands of the sanctioning state. The sanctioning state hopes that the economic pressures will create division within the political leadership, or between the government and the political or popular forces, regarding the best ways to respond to the

sanctions and the demands contingent upon them. This division could manifest in demonstrations and popular protests. The sanctioning state hopes that these pressures will force the other government to change its policies for fear of losing power due to local anger over the effects of the sanctions. Proponents of this theory argue that the more severe the economic pressures, the quicker the political disintegration, and the faster the state will comply with the demands (Ellis n.d.). However, sanctions can also lead to political integration and popular solidarity, particularly when collective crises, especially those related to external pressures, necessitate cohesion and resistance against foreign attempts to impose a specific course of action on the state.

In this context, the Norwegian sociologist Johan Galtung acknowledges that sanctions and the economic pressures they create may initially lead to political integration. However, he argues that as the pressures increase, they may ultimately lead to political disintegration, particularly if the economic damage reaches exceptional levels (Ellis n.d.). While this condition is not met in many cases—since sanctions are often not severe enough to cause this extreme degree of damage—the countries targeted by sanctions possess mechanisms and tactics to confront and circumvent them, mitigating their effects. Thus, the conditions for disintegration set by Galtung are often not met. Instead, sanctions typically remain within limits that achieve political integration without reaching the level of disintegration.

Ruling regimes may promote the idea that sanctions are linked to a foreign "colonial" vision or consider them an expression of external threats targeting the state's sovereignty and attempting to impose certain patterns or visions. This is especially true when the demands of the sanctions are not directly related to the daily lives of citizens. Governments may present the sanctions as an external threat to the state that requires national unity to confront and ensure political integration. By fostering a collective perception of an external threat and exploiting this threat politically and in terms of propaganda, the regime seeks to associate the state's ability to confront these external pressures with its own survival. This perception is more convincing if the regime succeeds in neutralizing the effects of sanctions, making the government appear effective and capable of protecting the state from external pressure.

For example, American sanctions on Cuba supported Former President Fidel Castro's arguments that the United States was attempting to economically deprive Cuba and violate its sovereignty. Similarly, the Iranian regime promoted the idea that U.S. sanctions targeted "Islamic ideology" or aimed to thwart Iran's efforts to develop nuclear deterrence capabilities in order to maintain Israel's nuclear superiority in the region. In general, some ruling regimes exploit sanctions to gain more popular support behind a political or religious ideology or a national project, rallying citizens around this vision, whether ideological or based on national interests. Popular resentment towards the negative effects of sanctions can drive opposition groups to rally behind these ideological programs, which may be used as a rallying point.

While sanctions aim to weaken governments, disrupt their control, and highlight their failures—especially in the economic and living conditions—they

also harm the business and investment sectors, negatively affecting both local and foreign investments and hindering private sector activity. This, in turn, benefits governments that hold greater control over the economy, especially when they manage to concentrate economic power, control strategic goods, and replace the private sector's role as it struggles to survive (Hakimian 2019). Small and medium-sized enterprises are particularly vulnerable to the sanctions and the resulting scarcity of resources, while governments are better positioned to secure and distribute resources. For example, some reports suggest that during the Obama administration, Iran's government found itself in a near-monopolistic position after sanctions decimated the Iranian private sector (Ouverson 2018).

Sanctioned governments may also benefit by exaggerating the impact of sanctions, imposing internal measures to limit access to goods, and increasing profits for importers and businessmen closely linked to the government (Garfield 2001). The economic consequences of sanctions may, in turn, hinder the political goals of sanctions. With the weakening of the middle class and the shrinking of its political influence, the focus shifts from political mobilization to meeting basic needs (Ouverson 2018). Some literature suggests that the scarcity of essential resources reduces incentives for protests, as people facing daily hardships are more concerned with survival and improving their living conditions than with political issues such as democracy or human rights, which are often the focal points of sanctions. Consequently, sanctions may inadvertently strengthen the government's political and economic control over its citizens, rather than weakening it (Sabatini 2020).

Therefore, some argue that regimes under sanctions exaggerate the negative impact of sanctions to prevent rebellion or protest, preoccupying citizens with survival rather than political reform (Mandal 2021). This tactic can also be used as an excuse to "suppress" opposition, restrict media freedom, and consolidate power. Some reports suggest that Russian President Vladimir Putin's responses to U.S. and European sanctions provide a clear example of this dynamic (Early 2016). Additionally, the scarcity of basic resources enables governments to distribute them based on political loyalty, punishing opposition groups and gaining support from those seeking access to vital supplies (Garfield 2001).

### **Global Risks Associated with Sanctions**

On the third front, there are certain global risks that may arise from the imposition of sanctions, which conflict with global trends, plans, and objectives. These include, for example, the inability to repay debts owed to countries and international institutions. Severe sanctions may lead to economic losses for the rest of the world if the economy of the sanctioned state collapses, causing it to default on its external debts and declare bankruptcy. This factor likely plays a role in the hesitation of countries and financial institutions to lend to countries that are economically troubled and under sanctions, even if those countries or institutions were not involved in imposing or supporting the sanctions. They would still bear the risk of the state defaulting on its debts, experiencing financial

difficulties, or at least postponing repayments in cases of economic collapse. Furthermore, new governments that arise after a period of sanctions and regime change may demand the cancellation or reduction of the country's debts (Perrotta 2012).

Sanctions also contribute to increased international polarization and push towards military wars. While economic sanctions are imposed as a more humane and less violent alternative to armed military wars, and as a less harmful and more peaceful means to pressure the governments of other countries, the reality is that sanctions often exacerbate international tensions, expand the gap of disagreement, and increase animosity between nations, ultimately increasing the risk of war. On one hand, sanctions, according to some theories, pave the way for wars rather than avoiding them, as seen in the case of Iraq, for example, which ended with the U.S. invasion of Iraq in 2003 after about 13 years of sanctions (Hakimian 2019). On the other hand, since sanctions are considered, according to many interpretations, acts of war and conflict, even if not militarily, they may prompt countries to respond violently, possibly escalating into military actions and armed conflict (Chartier 2019). Additionally, sanctions, from another perspective, heighten suspicion, hostility, and distrust in the sanctioned state toward the rest of the world, particularly the sanctioning countries, especially when the targeted state breaks its connection with the global market. This situation could translate into a preference for aggressive language and military actions over diplomatic and peaceful communication mechanisms (Westbrook 2020).

Furthermore, sanctions contribute to deepening global climate challenges. Many studies link sanctions to climate change challenges, and some even call for the lifting of sanctions as a way to confront climate changes. They argue that lifting sanctions is essential to this process for several reasons related to reducing carbon dioxide emissions and achieving sustainable development goals. According to this perspective, an open economy generates higher income and greater levels of welfare, which drives individuals to increase their demand for a cleaner environment and more stringent environmental regulations, making them more understanding and accepting of environmental considerations. This, in turn, encourages companies to adopt clean production practices. However, sanctions, with the restrictions they impose on the production and importation of goods—especially environmentally friendly products and environmental technologies—along with reduced foreign investments and declining living standards and income, push individuals and companies to purchase cheaper, less eco-friendly products, often locally made and of lower quality. While reducing greenhouse gas emissions, carbon neutrality, green transition, and environmental sustainability are part of a global agenda, sanctions—usually imposed for political reasons—under this environmental perspective, hinder and obstruct those goals, limiting the ability to achieve them and deepening environmental and climate crises (Westbrook 2020).

## **Extended Effects of the Negative and Unintended Consequences of Sanctions**

One of the issues with the application of international sanctions lies in their long-term effects, which extend even after the sanctions are lifted. The economic damages resulting from economic sanctions and export restrictions do not stop during the period of sanctions but have long-term effects that continue even after sanctions are lifted. In addition to the potential continuation of some negative repercussions for the sanctioning countries, the counterproductive results of sanctions, and the global risks associated with imposing sanctions, there are other extended negative effects of sanctions. For example, the effects of export restrictions extend beyond the lifting of sanctions, as companies and sanctioning countries suffer from the issue of reliability, especially since trust requires long periods to rebuild. Sanctioned countries often regard the companies of the sanctioning states as "unreliable suppliers," even after sanctions are lifted and restrictions removed. Countries that have been sanctioned may avoid purchasing from these exporters even when no sanctions are in place or at least reduce their reliance on them (Elliott 1997). The suspension of exports for a period due to sanctions may lead to a reduction in exports even after sanctions are lifted, as sanctioned countries seek alternative markets for products, spare parts, and imports to minimize potential future damage from the re-imposition of sanctions. Furthermore, the diversification of import structures and the loss of relative economic advantages that can be transformed into weapons or pressure points become lessons learned by countries after sanctions are imposed.

Economic sanctions also leave negative effects on the cost of reconstruction and economic growth, delaying economic recovery after sanctions are lifted or the political system changes, especially due to the structural imbalances and obstacles they cause (Mandal 2021). Sanctions lead to the accumulation of debt, which affects the future growth of the country and the capabilities of any subsequent government. This may burden future generations with larger tax and financial liabilities. In addition, new governments may be forced to adopt austerity measures (Perrotta 2012).

Sanctions imposed on cultural, intellectual, and communication sectors and the restriction of travel and international contact can lead to intellectual, scientific, and cultural isolation, which inherently has extended effects. Barriers between researchers from the sanctioned country and global professional and research organizations affect the knowledge movement in that country. These effects may be deeper and harder to address than the direct economic consequences. Additionally, the state's continued withdrawal from the service sector and the loss of social welfare benefits complicate the situation, with new governments not returning to their social and service roles that were partially or completely interrupted due to the challenges imposed by sanctions (*Garfield 2001*).

Sanctions also create political, social, economic, and security roles for smuggling networks and groups that benefit from the crisis, which are difficult to dissolve easily once sanctions are lifted. The networks and relationships

formed between these groups and the power circles often persist. Cooperation and coordination between politicians, organized crime groups, and smuggling networks can continue even after the sanctions, with these groups gaining entrenched, recognized influence. This situation negatively affects political interactions and creates a range of political, economic, social, and security problems. This is comparable to the challenges of dismantling the influence and roles of military factions after armed conflicts or civil wars (Perrotta 2012).

## **Conclusion**

In conclusion, although international sanctions have become one of the most frequently used tools in international relations to compel state actors to make certain decisions or follow specific paths, or to deter and punish them for certain policies and actions, these sanctions do not always achieve the interests and goals of the parties that impose them. On the contrary, they can often backfire, producing results contrary to the intended objectives. Sanctions can have unintended side effects on the countries and parties that impose them, and they may even benefit the targeted parties, allowing them to exploit the sanctions to achieve greater interests and neutralize their effects. In addition, there are negative societal and humanitarian impacts caused by sanctions, even though many sanctions are imposed for reasons related to defending against violations of local communities or breaches of international law and agreements, at least according to their stated reasons. Often, it is the vulnerable groups within societies that are most affected by sanctions, rather than the authorities the sanctions are intended to deter, who may, in fact, exploit the sanctions for their own benefit. The risks of the reverse effects of sanctions increase, especially when some sanctions take on a global dimension, affecting other actors beyond the parties imposing them, and given the long-term issues and risks they create, whose impacts persist even after the sanctions are lifted.

while sanctions are often considered a tool for exerting pressure on nations that violate international norms, their unintended consequences can be far-reaching and complex. Sanctions may not only fail to achieve their intended goals but may also harm the economic interests of the imposing country, benefit its economic competitors, create counter-alliances, and even fracture international coalitions. These negative rebound effects demonstrate the limitations and risks associated with the use of sanctions as a foreign policy tool. As global dynamics evolve, it is essential for nations to carefully consider the potential ramifications of sanctions and explore alternative diplomatic measures to address international conflicts and issues.

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