

Geopolitics and Economics: Understanding the Influence of Sanctions on International Ties

Nurul Sufiya Binti Ahmad Ali- Faculty of Law, University Kebangsaan, Malaysia.

Mirza Amir Bin Mohamed Mustafa- Faculty of Law, University Kebangsaan, Malaysia.

Ala'a Mohammed Rasheed*- College of Law, Al-Bayan University, Iraq.

Asaad Ghali Hamzha- College of Law, Al-Mustaqbal University, Iraq.

Nurhafilah Binti Musa- Faculty of Law, University Kebangsaan, Malaysia.

Received: 22/07/2025

Accepted: 19/12/2025

Abstract

Economic sanctions have emerged as critical instruments of modern foreign policy, shaping global trade, diplomacy, and power dynamics. Rooted in ancient practice yet evolving in sophistication, sanctions today operate at the intersection of international law, geopolitics, and economic governance. This article addresses a critical gap in existing literature, which often isolates legal, economic, or political dimensions of sanctions, by offering a holistic, interdisciplinary analysis. The main objective is to evaluate how sanctions influence international relations, legal legitimacy, and trade architecture—particularly under unilateral, multilateral, and extraterritorial frameworks. Employing a doctrinal legal research method complemented by case studies of Russia, Iran, North Korea, Venezuela, and Cuba, the study critically assesses sanctions' legal bases, economic consequences, and geopolitical shifts. Findings reveal that while multilateral sanctions enjoy greater legitimacy, unilateral and extraterritorial measures frequently undermine international norms and inflict humanitarian harm. Sanctions also stimulate realignment toward multipolarity, drive the development of alternative financial systems, and increasingly challenge the coherence of international legal institutions like the WTO. The study concludes that sanctions remain potent yet imperfect tools; their legitimacy and impact depend on adherence to legal principles, proportionality, and ethical considerations in a rapidly evolving global order.

Keywords: Sanctions, International Trade, Geopolitics, Economics, International Ties.

*E-mail: alaa.moh@albayan.edu.iq

1. Introduction

In this age of global connectivity, geopolitics and economics are more inseparable than ever. Among the most notable instruments utilised to traverse and shape global relations is the use of economic sanctions. Economic sanctions are utilised to reach geopolitical ends without going to war, but have repercussions extending far beyond embattled states and touching global trade, diplomatic relations, and even internal cohesion within states (Maha et al ,2024:36; Caldara and Iacoviello,2018:6).

However, while they have become a common feature of modern international relations, often taken to be a hallmark characteristic of this era, sanctions actually have a very old history. Economic sanctions have long been employed by states and empires to affect adversaries without direct military confrontation for centuries. For instance, several city-states in ancient Greece imposed trade embargoes to cut off adversaries' supplies and goods that were essential to them. Such policies reveal how existing power was already recognised as a highly influential tool of state policy, despite having a less wide-ranging application compared to modern globalised arrangements. Over time, perhaps the most ambitious effort to weaponise trade across a continent was Napoleon's Continental System directed against Britain in the early nineteenth century. Napoleon sought to devastate Britain's economy and eliminate its geopolitical influence by cutting off European allies and territories from trade with it, but the scheme came to have mutually opposed effects and unforeseen consequences for the continent writ large (Alexander,2009:9).

These early examples demonstrate that pressure has been used as a war substitute for a very long period and that sanctions did not become a recent innovation. They further remind us that while the reach and architecture of sanctions have developed over time, the basic justification for turning trade and business into weapons of power has remained extraordinarily consistent. Sanctions later in time were a hallmark of international relations during the 20th century. The League of Nations sought to apply sanctions against aggression but failed due to inconsistent use. Sanctions were a principal non-military instrument employed by the United States and allied states during the Cold War period. More recently, states such as Iran, North Korea, and Russia have been frequent targets of sanctions employed by the United Nations and regional authorities such as the European Union (Bělin and Hanousek,2020:30; Mallard and Sun,2024:40). Sanctions' widespread application in response to Ukraine invasion in 2022 by Russia serves to

highlight continued prominence within global diplomacy and associated complex economics that sanctions produce (Timofeev et al,2024:2).

Within the international trade law environment, economic sanctions mark a central point between law, politics, and economics. Sanctions, as legal tools, have been common in efforts to shape state conduct, apply international norms, and counter alleged departures from international law (Mallard and Sun,2024:41; Maha et al,2024:55). Yet application confers a difficult legitimacy problem alongside concerns about consistency and wider consequences within international economic stability. These complications multiply owing to a rising incidence of unilateral sanctions, disputes about a national security exception, and a rising trend toward targeted or "smart" sanctions (Rochat et al,2024:5; Moret,2025:3).

Despite global application of sanctions in international relations, existing scholarship is usually limited to a case study or a narrowly legal or economic analysis. A gap continues to persist in comprehensive scholarship that integrates geopolitical planning, international law, and economic impact in a cumulative analysis. This paper attempts to fill that gap by examining the effect of sanctions on global trade and international power relationships, special attention having been paid to how legal power, economic compliance, and strategic redeployment intersect across jurisdictions.

It is hence essential to comprehend the wider impact of sanctions on global relations not only upon legal practitioners and academics but also upon planners of policy, companies, and global institutions operating within a non-dividing and non-polar world system (Althabhwawi et al,2024:35; Makkonen and Mitze,2021: 3).

2. Theoretical Debate and Frameworks

This research makes use of a multi-disciplinary theoretical approach borrowed from realism, liberal institutionalist thought, and the dependency school to critically analyse the role played by sanctions in international trade and geopolitical relations. According to the realist school, sanctions can be viewed as tools of coercion and power employed by powerful states to extend influence without having to use military aggression. States, in this perspective, act mainly in the national interest in an international anarchic system. Sanctions represent both penal actions and political communication, sending a message of credibility to friends and a warning to foes. Such actions become progressively more effective if adopted by hegemonic states that control global banking facilities, such as America's control of the greenback and global payment networks such as SWIFT, which enable it to

extend coercion beyond territorial jurisdiction. This argument is substantiated both by Caldara and Iacoviello's empirical research, whereby they demonstrate how geopolitical risks that often accompany sanctions and wars powerfully impact global economic stability and investors' confidence (Caldara and Iacoviello, 2018:5). With such a background, this research can accept unilateral sanctions, particularly those imposed by America and Europe, as a forceful projection of economic dominance.

By contrast, liberal institutionalism places central importance upon international legal structures and institutions within sanction regimes. Sanctions mandated pursuant to institutions such as the United Nations Security Council are considered appropriate weapons of international regulation, mandating compliance with international norms. Yet the neutrality of such institutions is increasingly subject to challenge. Critics suggest that the veto process within the Security Council reinforces great power privilege, enabling certain governments to excuse allies from sanctions while levying them against weaker states. Such selective application constitutes what some researchers describe as "lawfare," whereby legal instruments become consciously employed to reinforce geopolitical hierarchy rather than promote universal principles. Mallard and Sun contend in a decolonial manner that sanction regimes instantiate a deeper inequity inscribed within transnational legal orders such that these expose how legal instruments become adopted or withheld reliant upon geopolitical interests (Mallard and Sun, 2024:40). Maha et al similarly highlight institutional legitimacy's role in perpetuating international trade in circumstances of prevailing political conflict such that they indicate that legal architecture surrounding sanction regimes has a powerful impact upon state behavior and trade resolution (Maha et al, 2024:49).

Deepening this analysis further, dependency theory provides a critical perspective on how weaker or developing states are impacted by sanctions. Dependency theory emphasises structural imbalance in world economic relations, such that sanctions often perpetuate economic dependency by limiting access to global markets, financing, and knowledge systems. Long-term consequences extend beyond trade disruptions to include limited access to technology transfers, medicine supplies, and participation in global knowledge economies, extending cycles of underdevelopment. Dependency thinkers also hold that sanctions cause targeted states to resort to alternative but exploitative trade and financial networks, cementing neocolonial subjugation. Makkonen and Mitze empirically demonstrate how sanctions disrupt trade but also suppress international flows of knowledge, harming

disproportionately sanitized states in the Global South (Makkonen and Mitze,2021:11). This perspective is further supported by some literature when it was demonstrated how Malaysia's openness to global trade sanctions and legal instruments betrays large structural patterns of regional dependency and legal vulnerability (Maha et al,2024). Overall, these theoretical viewpoints facilitate a nuanced understanding of sanctions both as instruments of legal enforcement but equally as instruments of global power, institutional control, and structural inequality.

Overall, these theoretical positions outline the multi-dimensional nature of sanctions. A realist perspective details why sanctions occur, above all else, as instruments of extending coercive power. Liberal institutionalism reveals how international governing structures legitimise or call into question penalties, even while doubts about justice and selectivity persist. Dependency theory illuminates who bears the greatest costs, pointing out again and again the unequal burdens placed upon weaker states within fundamentally unequal global institutions. Overall, such triangulation permits a deeper comprehension of sanctions, both as legal actions but also as global processes of power, institutional dominance, and structural inequality.

3. Methodology

This research has a qualitative doctrinal legal research approach fortified by case-based studies. It mostly constitutes library research and depends on secondary materials like law journals, international legal treaties, official sanction documents, and institutional reports. It is concerned with examining the legal grounds, economic impact, and geopolitical consequences of sanctions enacted by international institutions and influential states.

Doctrinal scholarship has been employed to construe international law's legal bases applicable to sanctions, such as the UN Charter, WTO treaties, and customary international law rules such as non-intervention and sovereignty. It critically construes how rules of law apply and are tested in enforcing unilateral and multilateral sanctions.

It is similar to available doctrinal legal studies on international trade law, like the Belt and Road Initiative led by China and Malaysia's regional trade interactions, because it bases such studies on legal tools, treaties, and court verdicts to study the law-politics relationship within sanction regimes (Althabhwani et al,2024; Maha et al,2024).

Moreover, the article adopts a comparative case study approach and a focus on Russia, Iran, North Korea, Venezuela, and Cuba to demonstrate how sanctions affect trade relations, alliance making and reorientation in the realm of economics in reality. These cases were chosen due to their geopolitical salience, the duration that sanctions regimes have been placed on them since their inception, and the variance in how they respond to economic coercion.

To further highlight, the choice of North Korea case studies of Cuba, Venezuela, Iran, and Russia was all intentional. Each state presents a unique geopolitical situation and sanctioning history. Russia is an illustration of how sanctions can impact a large nation and shift the dynamics of international trade and finance. Iran is an illustration of how long-standing sanctions can cause a state to construct new regional alliances and alter its internal industries. Cuba highlights the ethical and humanitarian concerns presented by large-scale embargoes. Venezuela is an illustration of how sanctions can magnify existing political and economic challenges. But applied to a highly isolated state, such as North Korea, sanctions reveal their limitations. By limiting attention to these five cases, a deeper and broader discussion was possible even though other illustrations might have been added, such as apartheid-era South Africa or contemporary Myanmar.

There was no empirical or fieldwork data collection in this research. Rather, the research synthesises available academic literature, institutional reports, legal materials, and reports of institutions like the United Nations, the European Union, and the U.S. Office of Foreign Assets Control (OFAC), along with opinions drawn from research articles on international trade law and geopolitical analysis. It allows a holistic appreciation of sanctions both as legal instruments but equally as political instruments with direct economic and diplomatic impacts.

However, another drawback to this approach is that it puts a secondary source preference above actual field research. Again, this approach can be open to criticism of failing to adequately represent decision-makers' and those who will be immediately impacted by sanctions' point of view, while it has a role to play in systematising treaties, case law, and institutional norms. It employs case studies to compensate for this, enabling a better understanding of how sanctions work in practice and relating legal analysis to realistic geopolitical and economic scenarios.

This approach integrates research into contemporary legal bases while securing relevance of findings to recent debate within international trade law and policy via a mix of doctrinal research alongside cases wisely selected.

4. Research Results

This research finds that although sanctions often serve as weapons of choice to reach political ends, they often produce unforeseen and long-lasting effects. Most prominently, sanctions often exact excessive costs upon developing or weaker economies. Comprehensive sanctions have been associated in particular with diminished GDP growth, limited access to necessities, and declining public health indicators. A research work by Gutmann, Neuenkirch, and Neumeier reveals that United Nations sanctions decrease target states' GDP per capita by about 25 percent, while American sanctions decrease it by 13 percent (Gutmann et al,2021:4). Likewise, systematic reviews verify that sanctions broadly disable healthcare and basic medication distributions, even when exemptions for humanitarian reasons are purportedly in force (Yazdi-Feyzabadi et al,2024).

Whereas multilateral sanctions enacted within institutions such as the United Nations seem to be judged to be more legitimate and have wider compliance (Mallard and Sun,2024:41), unilateral and extraterritorial sanctions tend to invite legal opprobrium due to infractions against the rules against non-intervention and sovereignty. Such sanctions undermine international rules regarding trade and strain international law regimes (Maha et al,2024:48). What is worse, the employment of exceptions on account of national security has increasingly bred legal uncertainty and cemented power inequality within the World Trade Organisation system (Bělin and Hanousek,2020:30).

As a response to the humanitarian impact of mass sanctions, policy-makers have since turned to "smart sanctions" that target people, sectors, or some bodies rather than large populations. Although this tactic is designed to contain collateral harm, recent studies yield mixed results. Smart sanctions have a variable record, whereby effectiveness often depends on institutional strength and situation (Rochat et al,2024:5). Even smart sanctions can have unforeseen humanitarian impacts, mostly in failing states, claim some researchers. A telling example here is the Russian scenario, whereby sanctions targeting elites have broader-than-intended political and economic collateral effects operating against their specificity (Moret,2025:3; Timofeev et al,2024:2).

Of particular note is the finding that sanctions often cause geopolitical realignments. Sanctioned states that have faced persistent sanctions, like Russia, Iran, and Venezuela, have reacted by making tighter alignments with other regional powers, developing non-dollar financial networks, and

bilateral trade to achieve diversity in interdependencies versus Western institutions. Such alignments indicate a wider global trade trend toward multipolarity since sanctioned states seek to create strategic autonomy via regional alignments and complementary institutions (Maha et al,2024).

Lastly, this research discovers that sanctions enforcement is further tested by new technologies, especially cryptocurrencies. Sanctioned individuals ever increasingly use the decentralised character of crypto schemes in circumventing financial controls, making global enforcement regimes harder and revealing regulatory loopholes (Zola et al,2024:6). This evolution identifies a necessity for flexible legal tools capable of responding to new sanction evasion tactics in the era of digitisation.

5. Analysis or Discussion

5-1. Concept and Legal Basis of Sanction

Sanctions are defined as limiting actions taken by a state or states, meant to change a target state's, organisation's, or person's behaviour. They can be terribly disparate in nature--wide-ranging financial and economic embargoes or targeted or "smart sanctions" such as travel bans, asset freezes, arms embargoes, or diplomatic isolation--yet this distinction between wide and targeted sanctions is an important one because while the former can cause severe humanitarian consequences among civilians, the latter aim at political and economic elites within an attempt not to cause collateral damage. These actions occur within two guises in international law.

Unilateral sanctions emanate from a single state or party within non-institutional settings and typically rely upon the economic and financial supremacy of the sanctioning state. American sanctions against Iran and Cuba represent typical cases where a position of unilateral action can grant extraterritorial application via the enforcement of the international use of the American dollar and American-led financial networks. Multilateral sanctions are enacted upon concord between member states to be carried out and are authorised within collective structures such as the UN Security Council upon a determinate basis, such as Chapter VII within the UN Charter. UN sanctions against North Korea with respect to nuclear policy and Libya in the early 1990s provide two historical exemplars. International legal scholarship recognises this distinction and refers to multilateral sanctions as those authorised within institutions of collective security and unilateral sanctions as those utilised beyond institutional structures (Kisahi and Nordin,2021:110; Althabhwai et al,2024:32).

Legal legitimacy of sanctions is usually based on this ground. UN-licensed sanctions generally possess higher legal power and universal legitimacy. Unilateral sanctions tend to cause legal uproar, however, if they appear to breach states' obligations under such international trade regimes as World Trade Organization regimes (Mallard and Sun,2024:41; Caldara and Iacoviello,2018:7). Furthermore, because permanent members' veto power controls Security Council decisions, critics claim that even UN sanctions remain susceptible to politicisation. Particularly where sanctions cause humanitarian suffering, such selective practice creates wider concerns about proportionality and respect for international human rights norms.

For example, American unilateral sanctions against Iran have been criticized because of their application beyond borders, which has impacted foreign to American companies without any direct connection to America, and can be inconsistent with central WTO principles such as Most-Favoured-Nation (MFN) and national treatment (Janeba,2024:88). By way of comparison, UN Security Council sanctions against North Korea are viewed as legally binding internationally, which is a reflection of their multilateral legitimacy despite ongoing discussions regarding proportionality and humanitarian impact (Smith, 2020: 134). These strains fall especially acutely on developing or smaller states that possess neither institutional capacity nor geopolitical power to challenge such actions and thereby highlight asymmetries within the global legal order.

5-2. Economic Sanctions as Foreign Trade

Economic sanctions greatly influence international trade relations. These sanctions usually appear in the shape of trade embargoes, bans on exporting and importing goods and services, and investments bans that hinder the flow of goods and services across global markets (Maha et al,2024). Through sanctions in the financial sector, asset freeze and bans on financial operations along with exclusion from international banking networks usually work to acutely diminish a sanctioning nation's capacity to conduct cross-border trade (Caldara and Iacoviello,2018:9; Makkonen and Mitze, 2021:6). For example, Iranian and Russian banks' disconnection from the network of the Special Wire Interbank Financial Messaging System (SWIFT) greatly hindered their ability to conduct international currency operations, producing financial isolation.

The extent of trade disruptions further relies on the nature of the sanctions applied. Holistic sanctions like those against North Korea or Venezuela usually level entire sectors to the ground, while targeted or "smart"

sanctions that aim to target political elites or certain industries still manage to discourage global trade due to raised compliance burdens and reputational risks (Rochat et al,2024:85). Again, sanctions often create negative consequences beyond the affected states directly. Extraterritorial sanctions like those applied by America against companies doing business with Iran or Cuba extend legal and financial pressure beyond affected states to third states and multinational companies, posing massive compliance risks and legal uncertainty for companies without any direct engagement in the underlying controversy (Janeba,2024:88; Mallard and Sun,2024:41).

Those side effects, while politically motivated, tend to generate changes in global trade flows, financial instability, and retaliatory measures by affected regions (Althabhwawi et al,2024:44). Formal dispute settlement arrangements are in force in legal institutions such as the World Trade Organization (WTO), but effectiveness tends to be low in highly emotive cases involving states' use of national security exceptions (Kisahi and Nordin,2021:110). Smaller or developing states find it harder because they tend to possess neither institutional strength nor geopolitical leverage to oppose such actions or protect their own economies against broader spillovers (Althabhwawi et al,2024:44).

5-3. Geopolitical Dynamics Shaped by Sanctions

Sanctions are a hallmark of modern geopolitics, employed by states to shape others without direct military force. Sanctions appear in this article's analysis of three interrelated dynamics, power projection, alliance making, and global trade fragmentation, that frame international system sanction use in a deliberate way. With a point of view supplied in case studies such as Russia, Iran, Venezuela, and North Korea, it contends that sanctions both maintain power structures and spur new geopolitical and economic changes. Firstly, power projection through sanctions. Similar to how the United States and EU use financial dominance to enforce extraterritorial sanctions, China's Belt and Road Initiative reflects another form of geopolitical leverage in shaping global trade alignments (Althabhwawi et al.,2024:42). The U.S. and EU, for example, exert control through dominance over the global financial system, the U.S. dollar, and key institutions, enabling them to enforce sanctions even on third-party countries.

Secondly, sanctions can facilitate alliance creation and geopolitical shifts. Though meant to isolate, as in Southeast Asia, use of sanctions has made states seek further regional trade integration, such as Russia's further integration with China and non-dollar arrangements (Maha et al,2024). With

Western sanctions following annexation of Crimea and invasion of Ukraine, Russia furthered collaboration with China, further engagement in institutions such as Shanghai Cooperation Organization, and diversified trade to non-dollar currencies such as the yuan and ruble.

Thirdly, sanctions lead to a split in global trade. Political disagreements and sanctions push states further toward bilateral or regional arrangements, further eroding global institutions like the WTO (Maha et al.,2024:38). With diminished confidence in the global system, nations become further reliant on regional trade blocs and bilateral arrangements. Institutions like Instex, crafted by European nations to enable trade with Iran without evading American sanctions, reveal tensions between geopolitical coordination and autonomy even within allies. Such a development presages a wider shift toward a splintered, regionally organised economic order defined by divisions in power.

In conclusion, sanctions are not only legal tools but influential weapons within a hierarchical international system. Although they work to preserve hegemonic states' power, they still bring about adaptive reactions that reform international alignments, defy institutional power, and lead to new global structures. Excessive use of sanctions might hasten a process toward multipolarity and non-cooperation within systems headed by the West.

5-4. Legal and Ethical Issues

Increased use of economic sanctions in international politics has raised legal and ethical questions in international trade law. Though sanctions have tactical missions, their humanitarian effects, state sovereignty effects, and disputed legality at trade dispute centres highlight how difficult it is to harmonise coercive foreign policy instruments and international legal norms (Moret,2025:15; Mallard and Sun,2024:41).

Comprehensive economic sanctions usually have catastrophic humanitarian consequences, in particular upon impoverished nations, because they create medicine, nutritionally relevant supplies, and essential services shortages, as was seen in Iraq during the 1990s, thus producing grave violations of international human rights law such as the ICESCR. Such sanctions can be contrary to legality if they produce a non-proportionate level of destruction, raising questions about how legitimate they become (Gutmann et al,2021:4; (Yazdi-Feyzabadi et al,2024).

Unilateral and extraterritorial sanctions tend to undermine UN Charter-based rules on sovereignty and non-interference. Controversies around abuse and exercise of veto power within the United Nations Security

Council further obfuscate legitimacy in enforcing sanctions, particularly if powerful states disregard collective accord to provide a justification basis for penal actions (Maha et al,2024:48; Rizal,2023:42). A good example is the United States Helms-Burton Act targeting companies trading with Cuba, which has raised stinging objections from allies such as the EU and Canada, generating divergent legal obligations and erosion of faith in multilateral dispute resolution mechanisms.

Trade-defining sanctions can be taken to the World Trade Organisation (WTO) if they violate treaties such as GATT or GATS, but enforcement is typically poor. America's Cuba embargo is widely criticised as an unjust trade barrier, and article XXI national security exceptions continue to be vague and unevenly applied. Such a case as Russia–Traffic in Transit demonstrates the prudent response of the WTO, but making it too convenient for powerful states to justify sanctions while more difficult for weaker states, which can exacerbate existing systemic inequalities in international trade governance (Bělin and Hanousek,2020:30).

In response to such a debate, authorities have become increasingly implement "smart sanctions" designed to confine collateral harm to civilians while going after political leaders, principal industries, or economic targets. Though theoretically appealing, such sanctions remain a subject of debate about effectiveness and equity. They continue to be open to criticism in terms of legitimacy, proportionality, and procedural protection due to gaps in enforcement and the risk of collateral consequences (Rochat et al, 2024: 78; Timofeev et al,2024:2).

As the global community struggles to come to grips with these questions, debate about how to harmonise coercive diplomacy and compliance with international legal norms continues. Keeping sanctions not only successful but also ethical and legal continues to be one of the thorniest questions in global trade law governance.

6. Conclusion

Economic sanctions remain perhaps the most contentious tool in international trade law, occupying a juncture between law, diplomacy, and economic governance. Intended to be weapons of peaceful coercion requiring respect for international rules without resort to force, but, as has been demonstrated within this work both theoretically and via case studies, the nature of sanctions is both in practice considerably more subtle and has a reach considerably wider than sanction drafters intended.

Comparison cases include cases from nations of Russia, Iran, Cuba, Venezuela, and North Korea in illustrating both numerous and usually conflicting effects of sanctions. Sanctions first disrupted access to international financial markets and technology after Russia's invasion of Ukraine in 2022. But sanctions furthered Russia's geopolitical move toward China and the Global South in creating a multipolar world order. Iran has endured decades of sanctions, especially those directed against its nuclear program, which have disabled its economy but driven it to create self-sufficiency in crucial industries and engage further with alternative regional powers. America's long-standing Cuba embargo is a classic illustration of the humanitarian toll of complete sanctions with little political efficacy in modifying government conduct despite wide-ranging economic suffering. Sanctions, too, have exacerbated Venezuela's economic disaster, while internal governance failure has provided a cause in its downfall. North Korea has endured some of the most stringent UN Security Council sanctions while still advancing nuclear development, exemplifying both limits and persistence among sanctioned regimes.

Sanctions fundamentally challenge international system unity from a legal perspective. Though widely viewed as legitimate, the United Nations Security Council's multilateral sanctions remain subject to criticism regarding proportionality and potential humanitarian consequences. The United States and the European Union indulge in frequent unilateral and extraterritorial sanctions that remain highly controversial. UN Charter and World Trade Organisation (WTO) architecture's norms of sovereignty, non-interference, and non-discrimination have often been subjected to criticism regarding their violation by them. Cases such as Russia – Traffic in Transit reflect how the application of Article XXI of the GATT (national security exception) has left legal complexity behind. Such cases reflect how powerful states may intend to interpret legal exceptions in a manner that undermines predictability in trade rules to weaker states.

Sanctions raise grave ethical concerns in addition to legal ones. Blanket sanctions have been proven to have detrimental humanitarian effects, including slowed GDP growth rates, restrictions in medicine and food access, and frequent public health crises. Such evidence runs contrary to states' international human rights law obligations, including the International Covenant on Economic, Social, and Cultural Rights (ICESCR), which ensures a right to an adequate standard of living, right to food, and right to healthcare. Due to observed spillover effects within unstable regimes like

Myanmar and Venezuela, collateral harm can be inflicted even against supposedly "smart sanctions," aimed against targeted people, banks, or critical industries. Sanctions' morality will thus rely on stated ends and an ability to be implemented without causing too much harm to people who aren't combatants. Moreover, the debate reveals that sanctions are becoming increasingly structural procedures of international power instead of only retaliatory tools of retribution. They shift alignments, reinforce hierarchies between sanctioning and target states, and accelerate the regionalisation and fragmentation of international trade. For instance, such as Russian non-dollar energy trade against China or Europe's Iranian INSTEX arrangement, non-dollar financial arrangements demonstrate how sanctions can recoil by fostering the development of alternative rival economic systems. By this, if sanctions become overly excessive, they would potentially undermine the same international system they seek to preserve.

Three salient policy lessons become apparent in prospect. First, to avoid compromising the legitimacy of international law, sanctions need to be rooted in clear and coherent legal authority, ideally via multilateral institutions. Commitments to human rights need to be observed, and harm caused by accidents should be prevented by integrating humanitarian protections and proportionality considerations into sanctions. Thirdly, architecture to sanctions has to be flexible enough to be able to adapt to a digital and multipolar world. Regulatory regimes have to be adapted in order to prevent evasion but ensure integrity in international trade, since cryptocurrencies and blockchain technology continue to be exploited in order to evade sanctions. Overall, sanctions will remain a central but imperfect instrument in the international diplomatic kitbag. The reason is that how legitimate and successful they prove to be will be determined by how effectively they manage to balance three rival imperatives: strategic necessity, legal consistency, and ethical duty. Sanctions can aid in maintaining global security and peace if adequately fitted for this purpose. However, if utilised too widely or unevenly, they can potentially foment geopolitical tensions further, undermine international institution legitimacy, and cause excessive hardship to weaker sections. Therefore, the issue for policy-makers, researchers, and practitioners is no longer whether sanctions need to be utilised, but how they can be made flexible to help foster global stability and justice while keeping to the fundamentals of international trade law.

7. Acknowledgment

The authors would like to express their profound gratitude to Al-Bayan University, Iraq and Al-Mustaqbal University, Iraq, for their invaluable support in facilitating this research and for its generous financial assistance. This funding has significantly contributed to the advancement of our work and the successful realization of our objectives.



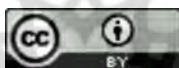
References

1. Alexander, K. (2009). The Origins and Use of Economic Sanctions. In: *Economic Sanctions*. Palgrave Macmillan, London. https://doi.org/10.1057/9780230227286_2.
2. Althabhwawi, N; Hui, C.J; Min, H.M; Xue, L; Bagheri, P; Al-Jubouri, O.S.A. (2024). An Analysis of the Impact of China's Belt and Road Initiative towards Malaysia. *Geopolitics Quarterly*, 20(Special Issue), 183-209.
3. Azmi, Raihaana; Anis Suraya Azmy; Mohd Zamre Mohd Zahir. (2023). "Veto Power: A Legal Debate in the United Nations Security Councils" *Geopolitics Quarterly*, 19(Special Issue): 37–58e
4. Rochat, M; Tsouloufas, G. (2024). The Effectiveness of Smart Sanctions: Examining Divergent Outcomes in Myanmar and Zimbabwe. *Journal of Asian and African Studies*, 00219096241300448.
5. Bělin, M; Hanousek, J; (2020). Which sanctions matter? Analysis of the EU/Russian sanctions of 2014. *Journal of Comparative Economics* <https://doi.org/10.1016/j.jce.2020.07.001>
6. Caldara, Dario; Matteo Iacoviello. (2018)- "Measuring Geopolitical Risk." *International Finance Discussion Papers* No. 1222. <https://doi.org/10.17016/IFDP.2018.1222>.
7. Maha, A. M; Yusli, A.H.L; Zulkafli, A.L; Hasman, I.M; Hassim, J.Z.W; Abd Rahman, W.F.I; Al-Janabi, A.M.S. (2024). The Implication of International Disputes on the International Trade: Malaysia as a Case Study. *Geopolitics Quarterly*, 20(Special Issue), 117-139.
8. Moret, E.S. (2015). Humanitarian impacts of economic sanctions on Iran and Syria. *European security*, 24(1), 120-140l
9. Janeba, Eckhard. (2024). "Extraterritorial Trade Sanctions: Theory and Application to the US–Iran–EU Conflict." *Review of International Economics*, 32(1): 82–97. <https://doi.org/10.1111/roie.12682>
10. Kisahi, Anati; Rohaida Nordin. (2021). "A Move Towards UNCAT Accession by Malaysia: Challenges and Prospects." *Jurnal Undang-undang dan Masyarakat (Journal of Law and Society)*, 28: 104–113. <https://journalarticle.ukm.my/16691/1/42086-151946-1-PB.pdf>
11. Makkonen, Teemu; Timo Mitze. (2021). "Geo-political Conflicts, Economic Sanctions and International Knowledge Flows." *arXiv preprint*. <https://doi.org/10.48550/arXiv.2112.00564>.
12. Mallard, Grégoire; Jie Sun. (2024). "International Law, Security, and Sanctions: A Decolonial Perspective on the Transnational Legal Order of Sanctions." *Annual Review of Law and Social Science*. <https://doi.org/10.1146/annurev-lawsocsci-042022-111630>.
13. Yazdi-Feyzabadi, V; Zolfagharnasab, A; Naghavi, S; Behzadi, A; Yousefi, M; Bazayr, M. (2024). Direct and indirect effects of economic sanctions on

- health: a systematic narrative literature review. *BMC Public Health*, 24(1), 2242.
14. Smith, Hazel. (2020). “The Ethics of United Nations Sanctions on North Korea: Effectiveness, Necessity and Proportionality.” *Critical Asian Studies*, 52(2): 129–145. <https://doi.org/10.1080/14672715.2020.1757479>.
 15. Timofeev, Ivan; Ekaterina Arapova; Irina Nikitina. (2024). “The Illusion of Smart Sanctions: The Russian Case.” *Russia in Global Affairs*. <https://eng.globalaffairs.ru/articles/the-illusion-of-smart-sanctions>.
 16. Zola, Andrea; Julian Medina; María Orduna. (2024). “Assessing the Impact of Sanctions in the Crypto Ecosystem.” *arXiv Preprint*. <https://arxiv.org/abs/2409.10031>.

COPYRIGHTS

©2023 by the authors. Published by the Iranian Association of Geopolitics. This article is an open-access article distributed under the terms and conditions of the Creative Commons Attribution 4.0 International (CC BY 4.0) <https://creativecommons.org/licenses/by/4.0>



پژوهشگاه علوم انسانی و مطالعات فرهنگی
پرتال جامع علوم انسانی