



What Have the Sanctions Against Iran Achieved?

Itay Haiminis

Dado Center for Multidisciplinary Military Thinking

How Sanctions Work—Iran and the Impact of Economic Warfare

By: Narges Bajoghli, Vali Nasr, Djavad Salehi-Isfahani and Ali Vaez

Publisher: Stanford University

Year: 2024

Number of pages: 212

In the last two years, in the context of war between Russia and Ukraine and the struggle between the United States and China, there has been a growing research interest in the subject of economic sanctions. The West has waged an economic war against Russia for more than two years, which has not yet succeeded in stopping its aggression towards Ukraine, while China and the United States exchange economic blows as part of their strategic competition for technological and economic supremacy. However, sanctions are no longer the domain of

superpowers only. More and more countries are turning to sanctions in order to achieve foreign and security policy goals, including Saudi Arabia, North Korea and even Israel (Drezner, 2023). This growing interest is reflected, among other things, in the publication of books by select academic publishers and articles in leading journals in their field, in well-publicized academic conferences and podcasts. Among the books published during the period,¹ the book reviewed here, “How Sanctions Work—Iran and the Impact of Economic Warfare” stands out in particular.

The book is part of an ongoing research project at Johns Hopkins University called “Rethinking Iran,”² within the framework of which a series of detailed reports on life in Iran under the sanctions regime have been published in recent years. One of the unique aspects of the project is its success in highlighting important issues that have so far received almost no attention from researchers or decision makers dealing with Iran (such as the effects of sanctions on the environment or on the use of drugs in Iran).

Although much has been written on the topic of sanctions against Iran, research has stalled for a long time because it fluctuates between two opposing approaches that cannot be reconciled. The first approach states that sanctions work because they harm the Iranian economy, destabilize the regime and even influence its decision-making, as is evident for example in the nuclear agreement signed in 2015. Those who take this approach call for tightening sanctions against the Iranian regime even now, following the recent escalation in the conflict between Israel and Iran (Levitt, 2024; Taghvaei, 2024). According to this opinion, making the necessary changes in the sanctions regime against Iran—from better enforcement of existing sanctions to the inclusion of additional entities within the sanctions framework—will ensure their effectiveness.

The second approach states that sanctions do not work because although the regime has

been under expanding sanctions since 1979, it has not abandoned the nuclear project. Indeed it has increased its missile stockpile and has persisted in a regional strategy that includes support for extremist organizations such as Hamas and Hezbollah. The supporters of this approach do not necessarily call for the removal of sanctions because they recognize their symbolic importance, and because despite their limitations, sanctions are apparently preferable in their view to the use of military force³ (Drezner, 2022; Farzanegan & Batmanghelidj, 2023). In this respect, the book is important because it offers another approach, which turns the spotlight from an exclusive focus on clarifying the causal relationship between the sanctions and changes in Iran's policy, towards an examination of the sanctions as an integral part of the country's political, economic and social history since the revolution. It is not simply another study examining whether sanctions have strengthened the pressure on Iran regarding its nuclear project or intensified its internal turmoil. Rather, it is a study that turns our gaze first and foremost to Iran itself, with the aim of trying to present to us a richer description and analysis of the country than what appears in studies that focus solely on sanctions. For sanctions researchers, this is a model that can also be used for additional test cases of countries that have been under a comprehensive sanctions regime for many years.

The book thus presents a new and original approach to the question of whether sanctions against Iran are working. The main thesis is that Iran as we know it today is a consequence of the sanctions that have been imposed on it since 1979, and that sanctions play an important and central negative role in shaping the character of its society, economy, government and its policies. The book is of course not the first study that presents a sharp criticism of sanctions against Iran, but it deals with the question of whether sanctions work through a panoramic, multidisciplinary and in-depth look at Iran. In the words of one of the authors of the book, Vali Nasr, in the webinar on the occasion of its

publication, "Sanctions are a powerful tool of state building."⁴ The question that arises from this is, of course, what kind of country the sanctions created.

Sanctions, the authors of the book state, are largely, if not exclusively, responsible for the radicalization of Iran's foreign and security policy, for the widening of socio-economic disparities in the country, for a retreat in the processes of democratization and political and economic liberalization in Iran, and for the strengthening of conservative and reactionary forces in it.

Sanctions, the authors of the book state, are largely, if not exclusively, responsible for the radicalization of Iran's foreign and security policy, for the widening of socio-economic disparities in the country, for a retreat in the processes of democratization and political and economic liberalization in Iran, and for the strengthening of conservative and reactionary forces in it.

Half of the book's chapters are thematic discussions on society (chapter one), politics (chapter two) and the economy (chapter four) in Iran. These are also, in my opinion, the most important chapters in the book. They were written by researchers from various disciplines and differ from each other not only in terms of their content, but also in terms of methodology and writing style. For example, the chapter on Iranian society was written by the Iranian American anthropologist Narges Bajoghli and accordingly contains a detailed description of the daily experience of many people in Iran under the sanctions regime.

In contrast, the chapter on the Iranian economy was written by the Iranian American economist Djavad Salehi-Isfahani and includes a large amount of data, numerous graphs and technical discussions. In response to the question of how the Iranian economy continues to function under the burden of sanctions, the chapter presents a useful comparison between

the Iranian economy and the more closed economies of North Korea or Cuba, arguing that the liberal characteristics of the Iranian model have prevented its collapse. Even if the notable differences between the book's chapters impairs the experience of reading the book to some extent, there are many advantages to the diversity, which make the whole greater than the sum of its parts. Reading these chapters raises serious questions about the feasibility of the ambitious goals set by the sanctioners in Washington, Brussels and the UN headquarters.

Since the Iranian regime sees the sanctions against it as part of the West's ongoing effort to oust it, it may be possible to gain its trust and confidence through the complete and unilateral lifting of all sanctions against it.

The remaining three chapters of the book deal in a more focused way with the sanctions regime itself and include, among other things, a well-known historical description of its development over the years (the third chapter) and a less than innovative discussion of the consequences of the Trump administration's "maximum pressure" policy (the fifth chapter and part of the sixth chapter). These are to a large extent introductory chapters to the subject of sanctions on Iran, and anyone who has followed the subject in recent years and read some of the extensive literature written about it, will not find much interest in them.

For those who read the book in search of practical advice or lessons for the campaign against Iran, I fear disappointment is in store. The authors do not pretend to offer ways to improve the effectiveness of the sanctions regime, and generally express pessimism about the possibility that sanctions will ever succeed in realizing the hopes placed in them. One of the reasons for this pessimism is the authors' assessment that the decision-makers in the Iranian regime will not agree

to enter into negotiations in exchange for the promise of lifting the sanctions, in view of their painful experience on the subject. Here the authors dwell on a point that rarely receives sufficient attention—that the Iranian regime was disappointed even before the American withdrawal from the nuclear agreement. The process of removing the sanctions was very slow, very partial and far from met the early expectations of the Iranians. The stories about the attempts of then Secretary of State John Kerry to convince the major banks in Europe and the United States to agree to return to work in Iran, demonstrate that even when the decision makers in the United States and Europe decided to ease the sanctions regime, the ability to do so was not entirely in their hands.⁵ Opponents of the agreement inside Iran saw this as evidence for their claims that Iran should not have agreed to it.

It may be that while there is no real horizon for the removal of sanctions, there is no basis to assume their effectiveness at changing the regime's policy, certainly regarding nuclear weapons. This is a sad conclusion, but in my opinion also one that embodies new potential for the effort to curb the Iranian nuclear project. The Iranian regime sees the project as a key component in its ability to ensure its survival, and recently also as a useful tool to enforce its will in the Middle East. Is it possible to convince the regime that its continuity will be guaranteed even without the existence of the project? Since the Iranian regime sees the sanctions against it as part of the West's ongoing effort to oust it, it may be possible to gain its trust and confidence through the complete and unilateral lifting of all sanctions against it. Beyond the fact that the step will ultimately demonstrate that the West is not opposed to the very existence of the regime, the changes in Iranian economy, society and politics following the lifting of the sanctions may, in my understanding, potentially also have an impact on the regime policies in the long term.

Lt. Col. Dr. Itay Haiminis is in charge of knowledge development in the Dado Center, in the IDF's Operations Division. itayhaiminis123@gmail.com

The text represents the opinion of the writer only and does not represent the position of the IDF or of the Israeli security establishment.

Sources

- Drezner, D. (2022). How not to sanction. *International Affairs*, 98(5), 1533–1552. <https://doi.org/10.1093/ia/iia065>
- Drezner, D. (2023). Global Economic Sanctions. *Annual Review of Political Science*, 27. <https://doi.org/10.1146/annurev-polisci-041322-032240>
- Farzanegan, M. & Batmanghelidj, E. (2023). Understanding economic sanctions on Iran: A survey. *The Economists' Voice*, 20(2), 197–226. <https://doi.org/10.1515/ev-2023-0014>
- Levitt, M. (2024, April 19). Coordinated Iran sanctions require coordinated enforcement. The Washington Institute for Near East Policy. <https://tinyurl.com/5t42snvs>
- Taghvaei, B. (2024, April 23). A better plan for sanctioning Iranian Airlines. The Washington Institute for Near East Policy. <https://tinyurl.com/yfv5nuxd>

Notes

- 1 Among the prominent academic publications in the field of sanctions published in the last two years, the following books are particularly worth noting:
Mulder, N. (2022). *The economic weapon: The rise of sanctions as a tool of modern war*. Yale University Press.
Demarais, A. (2022). *Backfire: How sanctions reshape the world against U.S. interests*. Columbia University Press.
- 2 More information about the project and full access to its publications can be found on the website <https://tinyurl.com/2k2s53cu>
- 3 An excellent example of the nature of sanction critics can be found in an article published in 2013, which is a summary of a report on the subject published by the National Iranian American Council. Although the authors of the report strongly criticize the sanctions regime, they also ultimately recommend perfecting and refining the sanctions as a mechanism of pressure on the Iranian regime. Khajepour, B., Marashi, R., & Parsi, T. (2013). The trouble with sanctions. *Cairo Review of Global Affairs*, 92–93. <https://tinyurl.com/59jyp84r>
- 4 The webinar was held on behalf of the Crown Center at Brown University. It is available at https://www.youtube.com/watch?v=orp7F5tH_qU
- 5 There are, of course, other reasons why the economic benefits from the nuclear agreement were limited: Some of the sanctions were not lifted because they were imposed for other reasons (for example, due to claims regarding human rights and support for terrorism), and Iran was unwilling to take certain steps that could help it effectively exhaust the economic potential in the agreement (e.g. by joining the convention regarding money laundering and the fight against terrorism). The author thanks Dr. Raz Zimmt for his comment on this topic.

McDowell, D. (2023). *Bucking the buck: US financial sanctions and the international backlash against the dollar*. Oxford University Press.

Farrell, H., & Newman, A. (2023). *Underground empire: How America weaponized the world economy*. New York, Henry Holt and Company. The webinar held on the book held on behalf of the Crown Center at Brown University is available at

https://www.youtube.com/watch?v=orp7F5tH_qU