

Summary of the Doctoral Thesis

Title:

Short, Medium, and Long-Term Effects of Economic Sanctions Adopted Internationally Against Some States on International Trade Exchanges

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Keywords

Economic Sanctions, International Trade, Economic Statecraft Theory, Signalling Theory; Iran, North Korea, Libya, Resilience, Trade Diversion, Illicit Networks, Institutional Coherence.

Synthesis of the Work

This research study examines the effects of short, medium and long-term economic sanctions and international trade, and represents a thorough comparative case study of Iran, North Korea and Libya. These states are specifically chosen on the basis of their exposure to the prolonged economic sanctions, which makes them the ideal case studies for evaluating the efficacy and immediate and long-term outcomes of economic sanctions. It thoroughly observes how the restrictive measures interact with various economic, political and social factors of these states, which results in economic decline and political realignment to the formulation of resilience strategies, which include trade diversification, self-sufficiency and establishment of informal economic networks.

Research Questions and Objectives

Accordingly, this study will address the following research questions:

1. What are the immediate (short-term) effects of economic sanctions on the international trade of Iran, Libya, and North Korea?
2. How do these states adapt their trade and economic strategies during the medium-term under sustained sanctions?
3. What long-term structural changes emerge in the economies and trade patterns of these states due to prolonged sanctions?
4. How do international sanctions influence geopolitical alignments and the development of resilience strategies among these target states?

This study also examines the resilience strategies adopted by Iran, North Korea and Libya in response to the imposition of sanctions, which range from the creation of informal trading networks and state institutional adaptation to trade reorientation, import substitution, and self-reliance in critical sectors of the economy. It aims not only to assess the impact of trade restrictions but also to evaluate how these states respond strategically to external pressure, using Economic Statecraft Theory and Signalling Theory as analytical lenses. These theories offer distinct but complementary frameworks to explain how states impose, interpret, and respond to coercive economic measures. Also, to understand how sanctioned regimes attempt to communicate strategic intent while preserving state functionality under pressure.

These cases were selected based on their varied geopolitical contexts yet comparable exposure to long-term sanctions. Iran, Libya, and North Korea each represent unique sanction regimes, yet share common features such as resource dependency, geopolitical significance, and a history of international isolation. Their diverse political economies allow for comparative analysis of differing resilience mechanisms, ensuring both depth and breadth in the findings.

The primary objective of the research is to analyse the short, medium, and long-term effects of worldwide trade and economic sanctions imposed on Iran, Libya, and North Korea, highlighting their impact on international trade and resilience strategies adopted by these states in response to international sanctions. The study seeks to provide a multifaceted consequence of economic restrictive measures on these states and the dynamics of the geopolitical role, trade, and considering both direct and indirect effects on their economies (trade, exports, imports, inflation, unemployment rate, etc.).

Conceptual Framework & Methodology

The conceptual framework of this thesis is designed to systematically examine the short, medium and long-term effects of international economic sanctions on trade exchanges, specifically on the cases of Iran, Libya and North Korea. To understand the relationships between state responses to sanctions and trade and economic outcomes over time, and to bridge the gap between theoretical understanding and empirical data.

The selection of Iran, Libya, and North Korea as case studies follows a purposive sampling strategy based on four formal criteria:

- (1) long-term exposure to international economic sanctions (over at least a decade),
- (2) distinct regime types and institutional structures,
- (3) availability of relevant trade, policy, and economic data, and
- (4) diversity in the nature and scope of sanctioning actors (e.g., UN Security Council sanctions, U.S. unilateral sanctions, and EU-led restrictions).

The data gathered for this research were collected from various sources to construct a detailed and thorough analysis of each case. Primary data sources include official government

reports, United Nations resolutions, and international accords on sanctions. Secondary data includes academic research literature and think tank reports, which provide additional context and analysis of the sanctions against targeted states.

Economic data for each case, such as GDP growth rates, inflation, unemployment data, and debt-to-GDP ratio, are collected from the World Bank database.

Choosing thematic analysis for this research thesis felt intuitive due to the complex, qualitative nature of the research questions. Given the depth of information which needed to be explored things like strategic responses, economic adjustments, and political signaling; quantitative methods alone wouldn't capture the stories behind these sanctions' cases. Braun and Clarke's (2006) thematic analysis offered a clear, step-by-step structure that still gave room for flexibility and deeper interpretation, allowing patterns to emerge naturally from the detailed qualitative data. Jowsey, Deng, and Weller (2021) note that thematic analysis systematically identifies patterns of meaning across qualitative datasets and is particularly effective at uncovering "why" questions that quantitative methods cannot resolve.

Thematic analysis also allows for the investigation of rich qualitative data such as policy documents, diplomatic reports, interviews, speeches, and media analyses to uncover the underlying motivations, perceptions, and complex interplay of factors that drive outcomes (Entropik, 2023).

Key Findings

This study's analysis of Iran, Libya, and North Korea reveals that sanctions usefulness remains mixed and context-dependent when they are designed as instruments of economic coercion. Economic sanctions do not lead to political concessions; their impact may be facilitated by many factors like a target country's geopolitical alliances, economic resilience and adaptability of local institutions. For example, the case study of Iran reflects how sanctions have a serious impact on economic distress for the Iranian public in the short term. It forced the Iranian state to an incentivised shift towards economic self-reliance and increased engagement with non-Western countries like Russia and China.

Libya during the sanctioned period experienced and went through political destabilisation, which, as evidence shows that sanctions can intensify existing governance vulnerabilities rather than bring compliance. Although the North Korean case showcases that

international sanctions have failed to stop and curb the nuclear ambitions due to the stronghold of the regime on economic structures and financing received from illicit networks.

All the case study findings challenge the traditional Economic Statecraft viewpoint, which suggests that political compliance emerges when countries or nations face economic hardships. All these findings resonate more closely towards public choice and second-best theories, which argue that economic and trade sanctions create unplanned economic distortions that can lead to authoritarian control and the creation of a black market rather than weakening the existing regime system.

The core argument of the study is that sanctioned states should not be seen as passive recipients of external economic pressure; instead, it posits that these states act as strategic players, capable of developing and executing adaptive behaviours. A complex interaction of domestic factors, such as institutional resilience, underlying ideological commitments, and broader geopolitical positioning, highlights the effectiveness of these adaptations by the targeted states. The theoretical frameworks of Economic Statecraft (Baldwin, 1985) and Signalling Theory (Whang & Kim, 2015) have been utilised in this research to demonstrate that the success of international sanctions is not solely determined by the level of economic hardship they cause. However, it has been noted that external coercion is often repurposed by the target state to bolster internal legitimacy and send signals to both domestic and international audiences.

The analysis illustrates this dynamic through the experiences of Iran and North Korea. Although both states operate under economic sanctions imposed by extensive economic sanctions regimes, each has developed unique yet effective resilience strategies. Iran, with a relatively robust institutional framework, has pursued economic diversification and a strategic realignment of its trade relationships away from traditional Western partners. At the same time, it employs symbolic acts of resistance, such as calculated actions concerning its nuclear program, as deliberate signals of resolve.

North Korea depends on a highly centralised system of control and the exploitation of unconventional economic avenues, including cybercrime, for survival. Simultaneously, it employs strategic brinkmanship through costly military displays like missile tests to project strength and deter adversaries, as the broader tenets of Signalling Theory. These divergent but effective approaches to navigating sanctions directly challenge the more linear assumptions

about sanctions' efficiency often found in traditional coercive diplomacy literature, which may underestimate the agency and strategic compliance of targeted states.

In contrast to these cases of resilience, Libya's trajectory under sanctions highlights a critical threshold: the breakdown of state coherence. The fragmentation of central authority in Libya has incapacitated its ability to implement unified economic policies or generate credible, centralised signals to the international system (Crisis Group, 2025; GIS Reports, 2025). This case underlines a limitation in theoretical frameworks that presume a functioning, unified state actor, demonstrating that beyond a certain point of institutional collapse, both economic adaptation and strategic signalling as understood within these theories become unfeasible.

This thesis concludes that the future scholarship and policy interventions concerning sanctions to be more predictive and effective in influencing sanctioned state behaviour. It must move beyond purely economic calculations and explicitly account for the domestic political structures, the varying forms of institutional resilience, and the strategic signalling frameworks employed by targeted states.
