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The Humanitarian Paradox: How Economic Sanctions Empower Authoritarian Regimes in Afghanistan, Iran, and North Korea

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Abstract: *The future coercive diplomacy has taken the economic sanctions as the standard tool to be used by the influential states as a penalty to deviant regimes without necessarily having to engage in direct military action. The rationale behind this is that restricting access to capital by a ruler will result in a change of behavior or collapse of a regime. Yet a comparative study on Afghanistan during the Taliban rule, Iran during the highest pressure and North Korea during the long-term sanctions demonstrates the opposite. This article contends that sanctions tend to empower dictatorial regimes by promoting black economies at the expense of causing great damage to the lives of civilians. The qualitative comparative case-study study is complemented by a doctrinal legal analysis, which is a method that employs the qualitative approach to case-studies to analyze how authoritarian regimes adjust to financial isolation by relocating to smuggling, cybercrime, and forced labor. The results also suggest that sanctions often do not serve political purposes but instead cause humanitarian crises. In Afghanistan, assets freezes have given power to Taliban through taxing aid and illicit mining. The sanctions boosted military self-sufficiency and consolidation of hardliners in Iran. The evasion of sanctions has been institutionalized in North Korea. The paper concludes that the international community needs to shift to conditional engagement and humanitarian carve out in place of blanket non-recognition and sanctions so as to alleviate civilian suffering without justifying authoritarian rule.*

Keywords: Economic Sanctions, Humanitarian Crisis, Authoritarian Regimes, Afghanistan, International Law

1. Introduction

The status of whether or not to acknowledge a de facto government is among the most debatable issues in international law. A de facto government is one that rules a territory yet is not recognized by other states or international bodies as a legal government, they often took over power by a coup, revolution or military intervention. This poses practical and theoretical challenges: it remains questionable about its legitimacy, and its activities will fail to meet the established international standards (Yarom & Kenneth, 2025). This has led to economic sanctions as one of the main measures that the international community is using to convey its disapproval without giving official recognition. The reason is simple; restricting the access of a ruler to capital will bring the regime down or will make it restrain itself.

However, a closer look at the sanctions against Afghanistan (under Taliban), Iran, and North Korea will show a much different result. Quite on the contrary, these regimes have been evolving themselves to the extent of consolidating power and sending the civilian populations into abject poverty. This is the humanitarian paradox: when actions are taken to coerce governments, they often punish citizens whom they are aimed to help instead of targeting authoritarian institutions (Zareei and Wadensjo, 2024). Consider Afghanistan. In August 2021, the Taliban seized control and the United States blocked about 7 billion dollars of the reserves of the Afghan central bank. It's supposed purpose was to ensure that the Taliban did not get access to state funds. The Taliban are still deeply entrenched in power, however, two years later ordinary Afghans are enduring one of the most serious humanitarian crises of the world. It has decreased the economy by 30-40 percent, unemployment is more than 50 percent, and 95 percent of the population is food-insecure (World Bank, 2023; UN OCHA, 2024). The Taliban have supplemented the funds lost by the state by increasing smuggling networks such as narcotics trade estimated to be worth over 1 billion dollars a year and also levying taxes on humanitarian aid coming into the country. A policy meant to strangle the regime of resource has instead made it turn to sources of revenue which cannot be subject to international pressure.

This dynamic is not unique. The U.S. maximum pressure campaign against Iran (2018-2021) was an attempt to coerce Tehran into returning to the negotiating table by disconnecting the country, outlawing any oil exports, and imposing sanctions against whole economic sectors. Rather, Iran has responded by switching the sales of oil to China by covert transfers to ships, maintaining the revenue of the regime and increasing indigenous drone and missile systems (Cipriani et al., 2023; International Crisis Group, 2021). North Korea has had seventy years of sanctions, which have not been able to dislodge the Kim dynasty. Rather, the city of Pyongyang has mastered the art of evasion, with cybercrime (estimated at $1.7 billion of stolen cryptocurrency) and forced labor exports being two pillars to this end, which together constitute a lifeline in terms of foreign currency (United Nations Panel of Experts, 2023; Nichols, 2023). This paper will examine the utility of sanctions as the regime pressure measure as compared to civilian damage. Based on the legal concepts of recognition and three separate case studies, the question is whether economic sanctions have the capacity to coerce authoritarian regimes without disproportionately punishing civilian populations. The paper questions the traditional wisdom about the use of force diplomacy, saying that the existing set of tools, sanctions and isolation, does not work against regimes that value ideological survival over financial stability.

2. Theoretical Framework

To comprehend the failure of sanctions, they should be put into the context of the law and the politics of state recognition. The international law is based on three provisions which are the state sovereignty, territorial integrity, and governments recognition. A new regime is the one that came to the power by non-constitutional means, and this fact casts doubt on its legitimacy (Yarom & Kenneth, 2025). Political factors tend to dominate recognition decisions; the state can refuse to recognize a government on the basis of human rights violations, breach of international law or because of what is perceived to cause instability to the world order.

Especially the notion of functional recognition applies. Functional recognition takes place where the de facto government is interacted with by the international community regarding certain practical issues, e.g., border control, counterterrorism, or humanitarian access, without being given full legal status (Bogoni & Bajcsy, 1995). This is paradoxical, states are sanctioning to deprive legitimacy, but in many cases, they are forced to act functionally to respond to security or humanitarian crises. This type of engagement may unwittingly offer the approved regime leverage, so the regime is able to enjoy working relations with the portions of the international system on its pariah status. Sanctions are further stymied by the issue of sovereignty. A state according to the Montevideo Convention must have a permanent population, boundaries without doubt, a government, and the ability to conduct relations with other states. According to such criteria, Afghanistan under the Taliban is a state; however, it is not formally recognized and cannot be able to reach UN seats, IMF loans, and international financial systems (Rahimi & Hazim, 2022). This legal gap results in a vacuum that sanctions are trying to fill and sanctions are usually criticized to exacerbate humanitarian crises and act unintentionally against civilians (Diamond & Nohle, 2025).

The conceptual contradiction is between the state sovereignty and new standards of a democratic legitimacy. The old international law was more concerned with good control; in the contemporary world, the pressure to grant recognition based on human rights and democracy is increasing. This instability inherent in the use of sanctions is especially acute at times when such regimes as the Taliban interpret economic isolation as a test of ideological determination and not a strategic danger.

3. Methodology

The research is a comparative case-study study using a qualitative methodology that is supported by a doctrinal legal analysis. The area of Doctrinal research is concerned with interpreting treaties, resolutions and state practice legal rules and principles especially those of recognition of governments. The qualitative case-study approach gives a chance to conduct a complex, context-sensitive analysis of the functioning of sanctions in various contexts. The Cases used were three in terms of differences in the sanctions period and severity: Afghanistan (Taliban): a new example of abrupt denial of property and non-recognition. Iran (maximum pressure): an example of severe economic warfare with an objective of behavioral change. North Korea (long-term sanctions): an example of multilateral sanctions, which have been in place over decades. The primary sources of law (UN Security Council resolutions, treaties), UN panels of experts reports, economic data of World Bank and IMF, and other reliable secondary sources (peer-reviewed journals, International Crisis Group reports, and respected news outlets) were used to compile data. The research will offer a strong study of humanitarian paradox by involving legal analysis and empirical case-studies.

4. Findings

4.1 Afghanistan: Sanctions as a Revenue-Shifting Mechanism

In the year 2002, after the Taliban took power back, the United States and its allies had frozen about 7 billion dollars of assets in the Afghan central bank. This was in defense as the Taliban was to be stripped of the ability to access state funds but at the same time save the resources to be used in humanitarian needs. As a matter of fact, the freeze crippled the formal banking sector, plunged a bad economic crisis into an even worse state, and did not undermine Taliban control (Essar et al., 2022; UN OCHA, 2024). Rather, the Taliban differentiated the sources of revenue. The production of annual narcotics, which is mostly not influenced by the pressure of other nations, brings in a figure of 1-2 billion dollars (UNODC, 2022). The smuggle of minerals, cross border trade with Pakistan and Iran and taxation of the humanitarian aid have become major points in the regime financials. Taliban linked intermediaries are often paid to facilitate aid organizations, which are compelled to transact via informal networks of hawala, by the banks (Shimada, 2025). Consequently, humanitarian aid that has been meant to ease pain has to some extent subsidized the regime. The Taliban survival calculus is based on ideology and not economical performance. The Taliban relatively has been getting its legitimacy through a stringent version of Islamic rule as opposed to the traditional systems of rule where the ruling party relies on economic growth to gain legitimacy. This renders them abnormally resistant to the economic pressure.

4.2 Iran: The Limits of Maximum Pressure

The U.S. maximum pressure campaign (2018-2021) aimed to force Iran to renegotiate the nuclear deal through imposing all-out sanctions. Formal export of oil declined to less than 500,000 barrels per day, yet Iran has adjusted to it by switching to clandestine exports, mainly to China, estimated at exceeding one million barrels per day by 2020 (Cipriani et al., 2023; Katzman, 2023). The sanctions also expedited the local military manufacturing of Iran; the nation took on the top spot in providing drones and missiles to Russia and regional proxies. The campaign caused extreme civilian damage in economic terms. The inflation rate reached over 40 percent, the shortage of medicine became a common issue, and the number of Iranians who have been pushed into poverty was estimated to be five million (World Bank, 2022). At the political level, the inability of the engagement within the framework of the Joint Comprehensive Plan of Action (JCPOA) undermined reformists and even led to the election of ultra conservative president Ebrahim Raisi. The contradiction is obvious: sanctions undermined the Iranian economy but strengthened the ideology of hardline and regional aggressiveness of the regime.

4.3 North Korea: Institutionalized Evasion

Since the year 2006, North Korea has been under UN sanctions and eleven rounds of increasingly stringent sanctions have been imposed on coal, textile, and oil imports. The objective-denuclearization- is still not achieved. Rather, the regime has made sanctions evasion to be institutionalized. According to the reports by the UN Panel of Experts, there is a complex system of illegal operations: cyber attacks on crypto-exchanges earned billions of dollars in 2022 alone; tens of thousands of North Korean employees still send home remittances despite the sanctions; and coal and oil smuggling through the sea is an ongoing phenomenon (United Nations Panel of Experts, 2023; Nichols, 2023). These activities give the regime the much needed foreign currency and at the same time shield the regime against foreign pressure. Sanctions have never occasioned political breakdown; instead, they have become a new reality that the state has become accustomed to, which strengthens a garrison economy and a centralized security unit.

5. Comparative Analysis

In the three cases, similar patterns would appear: Adaptation as a form of resilience: The three regimes have all come up with some form of illicit or semi legal revenue streams, which do not use formal sanctions systems to achieve success. The innocent casualties as a side effect: In both instances, sanctions have cost a good deal economically but failed to produce a political transformation.

Geopolitical disaggregation: Competitions between great powers of China, Russia, and western countries have caused loopholes. China buys Iranian oil; Russia and China protect North Korea against more militant action by the UN; Pakistan and china have connections with the Taliban. Substantive interaction subverts official non recognition: When the international community interacts with such regimes on counterterrorism, migration, or humanitarian access, it provides them with some legitimacy and bargaining power. Simultaneously, there are considerable differences between the cases. The evasion of North Korea is highly institutionalized and cyber oriented; that of Iran is motivated by oil smuggling and military build up in the region; Afghanistan is based on a more disintegrated economy based on informal taxation and narcotics. These variations indicate that the impacts of sanctions are mediated by the economic system, ideological nature and geographical relations of each regime.

6. Discussion

These findings make it appear that economic sanctions tend to serve as a signalling device, a means by which states can be signalling disapproval rather than acting as a serious instrument of coercion. They seldom overthrow governments, particularly those that are ideologically motivated and those that can tap other sources of revenue. The success of sanctions (such as those of apartheid South Africa or Libya in the 1990s) is usually against states that are highly reliant on formal international trade and which have no influential regional sponsors. Sanctions have had a humanitarian paradox in the cases analyzed: they are meant to punish civilians, but they have not succeeded in destroying regime structures. The assurances of assets in Afghanistan have helped to cause a level of humanitarian crisis of famine without causing the Taliban to lose their control over power (UN OCHA, 2024). Sanctions have increased the economic suffering in Iran and life saving drugs are in short supply, but there has been an increase in power by the government in the region. In North Korea, the common people suffer the most in economic isolation as the ruling elites continue to enjoy the luxury items and foreign currency. The picture is also complicated by the fact that regional actors play a role. China, Russia, Pakistan, and soon have sustained economic and diplomatic relations with these regimes, which have been helpful in breaking the effectiveness of sanctions regimes. This disaggregation of geopolitics is indicative of a larger trend: in the multipolar world, it is becoming more difficult to exert coherent pressure on the rogue states. This analysis gives rise to policy implications. Complete sanctions and blanket non recognition have not been effective. A more practical solution would entail:

- **Conditional engagement**: It may entail by offering incremental concessions. This may include partial release of frozen assets- in exchange for verifiable improvements on counterterrorism, human rights, or nuclear constraints.
- **Humanitarian carve-outs**: The solution may help streamline exemptions for aid and essential goods, and funding humanitarian programs through local NGOs to reduce regime capture.
- **Regional security coalitions**: working with neighboring states to address border security and smuggling, bypassing the recognition deadlock.

Conditional engagement has the potential as was seen in the case of the JCPOA. Sanctions relief as a means of exchange of nuclear rollback between 2016 to 2018 was able to prevent the nuclear program in Iran. The breakdown of such accord and the renewal of maximum pressure did not lead to a more favorable result; on the contrary, it boosted the Iranian nuclear progress and encouraged hardliners. This indicates that less extreme forms of engagement, even though politically challenging, could be more efficient compared to extreme isolation.

7. Conclusion

The revival of Taliban government in Afghanistan, the persistence of the Islamic Republic of Iran under the greatest pressure and the stability of the system in North Korea under decades of sanctions reveal the shortcomings of the modern coercive diplomacy. The current form and manner of economic sanctions often do not succeed in their declared political goals and have high degrees of humanitarian costs. In addition, they are also able to empower authoritarian governments by compelling it to establish parallel, black economies, which cannot be subjected to worldwide pressure. The implications of these findings are that the international community should think radically about how to interact with de facto governments. Blanket non recognition, total sanctions are crude tools, which in the framework of ideologically minded regimes, simply severely penalize civilians, but leave the strategic calculus untouched. A change toward conditional engagement - based on practical collaboration, humanitarian realism and coordinated regional diplomacy - provides a more encouraging way. This would not justify authoritarian rule, but it would accept the fact of the control of these regimes and formulate incentives to change slowly. Days of foreign policy based on ideological purity are long gone. The difficulty of the new geopolitical environment that is more and more fragmented is to find a way through the grey areas where power, survival, and justice meet. The international community can only hope to end the suffering of civilians by going beyond symbolic sanctions, and taking pragmatic, principled actions that would not strengthen the same regimes it is trying to put in check.

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