

**Economic sanctions and international conflicts: the case
of Russia in comparative perspective**

Pavel Chernousov

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Abstract.

The subject of my thesis is the following: “Economic sanctions and international conflicts: the case of Russia in comparative perspective.” I will demonstrate the impact the economic sanctions have had on a state’s foreign policy; whether they have succeeded in persuading or forcing an embargoed country to change its geopolitical actions. I believe there is a case that argues that economic sanctions can work provided that they are applied in a right manner against properly defined targets with a clear purpose.

My thesis will pursue a practical aim of providing direct and proven data based on empirical analysis to reinforce the theoretical base of the tool of economic sanctions. Apart from the research conducted on past case studies, the empirical research will concentrate on the Russian case. It will make use of think-tank reports, official documents and journalists’ investigations, in which the case for sanctions with regard to Russia is well-documented.

In order to understand the development of the tool of economic sanctions, this paper will also outline their main characteristics. A historical and comparative approach is best suited for this purpose, as it offers solid theoretical data to reinforce the main arguments of the study. This information provides a useful tool for building this research project in a conclusive and definitive way.

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Introduction.

Economic sanctions are no new thing: literature abounds with them. As Hufbauer and Schott clarified, “economic sanctions entered the diplomatic armoury long before World War I”, as far back in time as ancient Greece and the Peloponnesian War.¹ Sanctions have progressed enormously throughout the course of history, reaching various degrees of effectiveness, as demonstrated in cases of Napoleon’s famous “Continental blockade”, and of the early 1980s - President Jimmy Carter’s grain embargo against the Soviet Union in response to its invasion of Afghanistan, and Ronald Reagan’s attempt to block the Soviet-European gas pipeline project.²³ All the same, in the post-Cold War world, some researchers say that the significance of economic sanctions as a tool of national and international diplomacy has increased and presented new challenges.⁴⁵

The subject of my thesis is the following: “Economic sanctions and international conflicts: the case of Russia in comparative perspective.” I will demonstrate the impact the economic sanctions have had on a state’s foreign policy; whether they have succeeded in persuading or forcing an embargoed country to change its geopolitical actions. I believe there is a case that argues that economic sanctions can work provided that they are applied in a right manner against properly defined targets with a clear purpose.

¹ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (1990). *Economic sanctions reconsidered: History and current policy* (Vol. 1). Peterson Institute, 9.

² Lindsay, J. M. (1986). Trade sanctions as policy instruments: A re-examination. *International Studies Quarterly*, 153-173.

³ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (1990). *Economic sanctions reconsidered: History and current policy* (Vol. 1). Peterson Institute, 1.

⁴ Doherty, E. M. (1997). Economic Sanctions: Panacea or Peacebuilding in a Post-Cold War World? David Cortright and George A. Lopez, eds.(Boulder, CO: Westview Press, 1995), 256 pp.. *Ethics & International Affairs*, 11, 3.

⁵ Jentleson, B. W. (2000). Economic sanctions and post-Cold War conflicts: Challenges for theory and policy. *International Conflict Resolution after the Cold War*, 123-177.

My thesis will pursue a practical aim of providing direct and proven data based on empirical analysis to reinforce the theoretical base of the tool of economic sanctions. Apart from the research conducted on past case studies, the empirical research will concentrate on the Russian case. It will make use of think-tank reports, official documents and journalists' investigations, in which the case for sanctions with regard to Russia is well-documented.

Describing Russia's foreign policy thinking, M. Lebedeva stated that "Soviet IR studies were based on a mixture of realism and Marxism–Leninism, with realism predominating."⁶ Perhaps in many ways following the same ideological pattern, after the fall of the USSR Russian foreign policy during the Putin era "completed its progression from the alleged idealism of the early 1990s, through a period of 'pragmatism' in the second half of the decade, towards a 'new realism'."⁷ In fact, as Lynch noted, "the Russian state that has emerged since the collapse of the Soviet Union faced a profound crisis of political and national identity, one that impelled Russian foreign policy in unilateralist and nationalist directions."⁸ Therefore, I believe it will be appropriate to estimate and view Russia's actions using the prism of political realism that makes the state per se a fundamental actor on a world stage.⁹

To sum up, the core of this research will be several questions:

⁶ Lebedeva, M. M. (2004). International Relations studies in the USSR/Russia: is there a Russian national school of IR studies?. *Global Society*, 18(3), 263-278.

⁷ Sakwa, R. (2007). *Putin: Russia's choice*. Routledge, 275.

⁸ Lynch, A. C. (2001). The realism of Russia's foreign policy. *Europe-Asia Studies*, 53(1), 7-31.

⁹ Morgenthau, H., & Nations, P. A. *Realism (International Relations)*.

- Why did Western countries decide to implement sanctions against Russia, and what role do politics play in their decisions? In other words, looking into European and North American, why do some states, like the United States¹⁰, take a harder stance against Russia, while others link sanctions with implementation of the Minsk and Minsk-2 accords¹¹, and some, like the Czech President Miloš Zeman, prefer not only to lift the sanctions, but also to limit Ukraine's geo-political choices as well?¹²
- What is the political dynamic behind the Western sanctions; how have they progressed since Crimea's forcible "return" back to Russia up to the present time?
- What is the economic impact of the sanctions against Russia?
- What is the political impact of the same sanctions?

In order to understand the development of the tool of economic sanctions, this paper will outline their main characteristics. A historical and comparative approach is best suited for this purpose, as it offers solid theoretical data to reinforce the main arguments of the study. This information provides a useful tool for building this research project in a conclusive and definitive way.

Chapter I.

The phenomenon of "economic sanctions" per se.

This chapter will focus on the development of the economic and political components of sanctions. Elliott, Hufbauer and Oegg made clear that economic sanctions began to be taken se-

¹⁰ Puchkova, M., & Romanovskii, M. Project Finance in a Modern Volatile Economic Situation. *KNOWLEDGE ECONOMY SOCIETY*, 305.

¹¹ Galbreath, D. (2015, June 9). G7 continues sanctions on Russia - because it is out of other ideas. Retrieved December 28, 2015, from <https://theconversation.com/g7-continues-sanctions-on-russia-because-its-out-of-other-ideas-42919>

¹² Sandeman, W., Lawson, P., Caloianu, I., & Ryehauge, A. (2014). Around the Bloc: Buckwheat Panic Grips Russia, Czech Leader Urges' Finlandization'of Ukraine. *Transitions Online*, (02.12).

riously after the nightmares of the First World War, when the U.S. President Woodrow Wilson started to look into non-military alternatives to a possible armed conflict in the future.

The same authors opined that as a result of Wilson's desire to diminish or avoid the militarization of conflict resolution in that era, sanctions were "subsequently incorporated as a tool of enforcement in each of the two collective security systems established in this century - the League of Nations between the two world wars and the United Nations after World War II."¹³ Consequently, this chapter will explore three issues: first, the historical development of the tool of economic sanctions starting after the Great War; second, the character and nature of economic sanctions; third, the most fundamental and relevant element of theoretical and practical significance - the degree, measurement and actual terms of effectiveness of economic sanctions. Finally, the chapter will finish with a brief summary and assessment.

1.1. The historical development of the tool of economic sanctions

Elliott, Hufbauer and Jones are the most quoted authors who have produced by far the most detailed and substantial research on the subject of sanctions. According to them, the term "economic sanctions" encompasses "the deliberate, government-inspired withdrawal, or threat of withdrawal, of customary trade or financial relations" - and "customary" refers to the levels of trade or financial activity that would probably have occurred in the absence of sanctions."^{14 15}

Naas posited that sanctions are nothing new to modern history: even the American Revolution

¹³ Kimberly Ann Elliott, Gary Clyde Hufbauer and Barbara Oegg. "Sanctions." *The Concise Encyclopedia of Economics*. 2008. Library of Economics and Liberty. Retrieved May 8, 2015 from the World Wide Web: <http://www.econlib.org/library/Enc/Sanctions.html>

¹⁴ Kimberly Ann Elliott, Gary Clyde Hufbauer and Barbara Oegg. "Sanctions." *The Concise Encyclopedia of Economics*. 2008. Library of Economics and Liberty. Retrieved May 8, 2015 from the World Wide Web: <http://www.econlib.org/library/Enc/Sanctions.html>

¹⁵ Hufbauer, G., & Elliott, K. (1988). Financial Sanctions and Foreign Policy: Qualified Success. *Harvard International Review*, 8-11.

“was in part revolt against British sanctions.”¹⁶ They, asserted the same author, were central in triggering the War of 1812, they were instrumental in weakening the Confederacy, and it was sanctions that played a central part in the Spanish-American War of 1898.

Moving to the next century, Martin indicated that sanctions became “a common element of state behaviour in the twentieth century”, reaching a peak in 1934-1936 during the Italian imperialist aggression against Abyssinia.¹⁷ Allen and Lektzian wrote that even the 1990s “have been referred to as the ‘Sanctions Decade’” because of the widespread application of that mechanism by the United Nations with regard to Iraq, Yugoslavia and Haiti.¹⁸ Drezner outlined that the UN Security council approved economic sanctions no fewer than twelve times in the previous decade, whilst between 1945 and 1990 the UN had only used sanctions two times; notwithstanding the UN cases, “the estimated use of sanctions in the 1990s increased by 22 percent over the previous decade”.¹⁹ Malloy pointed out that contemporary mechanism of the U.S. government to impose economic sanctions has become “an increasingly prevalent feature of US international economic and foreign policy”.²⁰ Elliott et al added that not only the United States, but other major world powers, have not abandoned the practice of deploying unilateral economic sanctions: in fact, so-called “targeted sanctions” which are directed against certain drug lords and political leaders “frequently have been used in an attempt to avoid the humanitarian fallout re-

¹⁶ Haass, R. (1998). *Economic sanctions and American diplomacy*. New York: Council on Foreign Relations, 3.

¹⁷ Martin, L. L. (1993). *Coercive cooperation: Explaining multilateral economic sanctions*. Princeton University Press, 8.

¹⁸ Allen, S., & Lektzian, D. (2013). Economic sanctions: A blunt instrument? *Journal of Peace Research*, 50(1), 121-135.

¹⁹ Drezner, D. W. (1999). The sanctions paradox: Economic statecraft and international relations (No. 65). Cambridge University Press, 643.

²⁰ Malloy, M. P. (2000). The Many Faces of Economic Sanctions. *Global Dialogue*, 2(3), 1.

sulting from broad-brush sanctions.”²¹ According to Vashti-Gibson, this type of sanctions is more “ethical” than others.²² With globalization expanding, “broad-brush” sanctions are particularly devastating for “market-sensitive economies.”²³ In fact, with the greater economic interdependence, open borders and greater economic cooperation between the nations some scholars began to talk about a “double-edged sword for economic sanctions” because, according to Elliott and Hufbauer, the very same economic interdependence makes it easier for targeted nations to escape the desired punitive effect of sanctions while the sanctions disrupt international “economic flows” at the same time.²⁴

Jentleson made an extremely important observation about the post-Cold War world order, creating what he calls a “vulnerability-viability paradox”. From that author’s point of view, this term identifies a certain system, “a paradoxical one of greater target state vulnerability to the potential coercive potency of sanctions on the one hand but more problematic political viability on the other.”²⁵ Jentleson ties this paradox to three major post-Cold War changes: “the end of Cold War bipolarity, economic globalization, and greater global democratization”. To his mind, they represent a vulnerability in a way that the Great Powers no longer desire or have little incentive to defend target countries against other states; due to open economic borders between almost all countries and lastly, due to what he called an “increased political openings for target state do-

²¹ Kimberly Ann Elliott, Gary Clyde Hufbauer and Barbara Oegg. "Sanctions." *The Concise Encyclopedia of Economics*. 2008. Library of Economics and Liberty. Retrieved November 3, 2015 from the World Wide Web: <http://www.econlib.org/library/Enc/Sanctions.html>

²² Dashti-Gibson, J., Davis, P., & Radcliff, B. (1997). On the determinants of the success of economic sanctions: An empirical analysis. *American Journal of Political Science*, 608-618.

²³ Kirshner, J. (1997). The microfoundations of economic sanctions. *Security Studies*, 6(3), 32-64.

²⁴ Elliott, K. A., & Hufbauer, G. C. (1999). Same song, same refrain? Economic sanctions in the 1990's. *American Economic Review*, 403-408.

²⁵ Jentleson, B. W. (2000). Economic sanctions and post-Cold War conflicts: Challenges for theory and policy. *International Conflict Resolution after the Cold War*, 19, 23.

mestic elites hurt by sanctions to serve as “transmission belts” and pressure their governments for policy change.”²⁶

On the other hand, Jentleson argues that economic sanctions now serve as a “political liability” for three reasons: it is harder to garner international support and channel it into the creation of an international coalition; the impact of economic sanctions is far more severe on “non-target citizens in target states” which poses certain ethical and moral questions; and, finally, a state’s sanctions can create deep disagreements among its own public opinion.²⁷

These considerations have been expanded by T. Weiss who argued that economic sanctions usually have a more severe impact “on vulnerable civilians who were not meant to be hurt by them”, whereas the oppressive political regime’s “henchmen grow obscenely rich as a direct result of these sanctions.”²⁸ In addition, as Peksen and Drury highlighted, the very same elites use foreign sanctions to gain “new incentives for themselves to restrict political liberties, to undermine the challenge of sanctions as an external threat to their authority.”²⁹ Certainly, the logic of economic sanctions, as explained by Shehabaldin et Laughlin, is that they “would reduce the welfare of the country and consequently trigger the affected masses to overthrow a government.”³⁰ However, as it was during the Cold War and today, the very nature of authoritarian regimes allows them not only to ignore legitimacy issues, public sentiments and general distress,

²⁶ Jentleson, B. W. (2000). Economic sanctions and post-Cold War conflicts: Challenges for theory and policy. *International Conflict Resolution after the Cold War*, 24.

²⁷ Jentleson, B. W. (2000). Economic sanctions and post-Cold War conflicts: Challenges for theory and policy. *International Conflict Resolution after the Cold War*, 25.

²⁸ Weiss, T. (1997). Political gain and civilian pain humanitarian impacts of economic sanctions (p. 14). Lanham: Rowman & Littlefield.

²⁹ Peksen, D., & Drury, A. C. (2010). Coercive or corrosive: The negative impact of economic sanctions on democracy. *International Interactions*, 36(3), 240-264.

³⁰ Shehabaldin, A., & Laughlin Jr, W. M. (1999). Economic sanctions against Iraq: Human and economic costs. *The International Journal of Human Rights*, 3(4), 1-18.

but also to suppress any dissent and ignore growing social unrest.³¹ In some cases, foreign sanctions even contribute to the regime's survival and political evolution, enabling the "rally round the flag phenomenon" to take place.^{32 33}

However, even though it has been argued that the Western world finds it harder to create a broad coalition against the targeted nations, many scholars postulate that a key development in economic sanctions these days is that there has been an increasing pattern of multilateral cooperation as opposed to unilateral sanctions.

One of the reasons is because, as Kaempfer and Lowenberg explained, unilateral sanctions are often not potent enough while "multilateral economic sanctions can be expected to impose greater terms-of-trade effects on a target nation than unilateral sanctions."³⁴ However, that claim is not supported by all scholars or actors: some political science researchers claim that "systematic empirical research consistently demonstrates" that unilateral sanctions are superior to multilateral sanctions in terms of effectiveness, while government and public policy officials nevertheless prefer to advocate the use of collective actions.³⁵

Be that as it may, the voice of supporters of multilateral sanctions has been gradually receding, and a debate has been undertaken about whether economic sanctions should be employed at all. Bapat and Morgan declare that none (!) of the sanctions are actually effective in coercing target states to alter their behaviour. Referring to Elliot, Clyde Hufbauer, Schott, and Oegg, the aforementioned Bapat and Morgan stated that "while multilateral sanctions are slightly more

³¹ Escribà-Folch, A., & Wright, J. (2010). Dealing with tyranny: International sanctions and the survival of authoritarian rulers. *International Studies Quarterly*, 54(2), 335-359.

³² Nathan, A. J. (2003). Authoritarian resilience. *Journal of Democracy*, 14(1), 6-17.

³³ Mack, A., & Khan, A. (2000). The efficacy of UN sanctions. *Security Dialogue*, 31(3), 279-292.

³⁴ Kaempfer, W. H., & Lowenberg, A. D. (1999). Unilateral versus multilateral international sanctions: A public choice perspective. *International Studies Quarterly*, 43(1), 37-58.

³⁵ Bapat, N. A., & Clifton Morgan, T. (2009). Multilateral versus unilateral sanctions reconsidered: A test using new data. *International Studies Quarterly*, 53(4), 1075.

successful in achieving certain types of change, in general, multilateral sanctions are no more effective than unilateral sanctions.”³⁶ This issue forces the policymakers of sanctioning countries to create “ways to either improve the performance of economic coercion in tough cases or alleviate the political problems created by the policy instrument.”³⁷

Does that mean that, in the words of D. Baldwin, one should join the choir of scholars who “deny the utility of such tools of foreign policy” even though the policymakers are still determined to use the tool of sanctions “with increasing frequency” for their own reasons?³⁸ Not quite, since many international relations researchers, such as R. Pape, contend that “the past decade has witnessed increased optimism about the utility of economic sanctions”.³⁹ In order to assess which approach seems to be more reasonable and practical, it is essential to establish the core principles of economic sanctions and examine a few indispensable cases where they were applied.

1.2. The nature of economic sanctions

There are many ways to describe the way economic sanctions work - or at least, are “supposed” to work.⁴⁰ Some scholars declare that sanctions “are typically meant to alter the policies of other countries.”⁴¹ Others say that they are “economic measures directed to political objectives,” and, as a result, their effect is meant to be political in nature.⁴² Indeed, as Pape - another central figure in this field - identified, states employ various “economic pressure against other

³⁶ Bapat, N. A., & Clifton Morgan, T. (2009). Multilateral versus unilateral sanctions reconsidered: A test using new data. *International Studies Quarterly*, 53(4), 1076.

³⁷ Drezner, D. W. (2011). Sanctions sometimes smart: targeted sanctions in theory and practice. *International Studies Review*, 13(1), 99.

³⁸ Baldwin, D. A. (1999/2000). Evaluating economic sanctions. *International Security*, 24(3), 80-107.

³⁹ Baldwin, D. A., & Pape, R. A. (1998). Evaluating economic sanctions. *International Security*, 23(2), 189-198.

⁴⁰ Smith, A. (1995). The success and use of economic sanctions. *International Interactions*, 21(3), 229-245.

⁴¹ Marinov, N. (2005). Do economic sanctions destabilize country leaders?. *American Journal of Political Science*, 49(3), 564.

⁴² Barber, J. (1979). Economic sanctions as a policy instrument. *International Affairs (Royal Institute of International Affairs 1944-)*, 367-384.

states” for a plethora of political reasons.⁴³ The same researcher confirmed two main categories of economic sanctions in the most broad terms: trade restrictions and financial restrictions, which, as he pointed out, can be applied with a varying degree of force.

Pape detected that “trade may be suspended completely or tariffs merely raised slightly” (as, for instance, was done in case of US trade sanctions against Burma in 1989⁴⁴). On the other hand, “financial flows may be wholly or partially blocked or assets seized” (with the prime example found in Iran and Cuba⁴⁵) or the “entire opposing economy may be targeted or just one sector” (the way the Russian gas and oil sectors were sanctioned by the Western governments via an imposition of financial and technological restrictions on Russia’s state monopolies⁴⁶). Other specific economic actions can include arms embargoes, nationalizations, and outright tariff wars.⁴⁷

Trade restrictions and financial restrictions can take additional forms. Hufbauer, Jeffrey et al provided additional details that showed that there are three ways in which an acting country can deploy the mechanism of sanctions: “limiting exports, restricting imports, and impeding finances, including the reduction of foreign aid.” Economic sanctions, posited the aforementioned authors, can often backfire: they deny access to export markets, limit accessibility to imports, raise the prices for embargoed exports, and naturally make the process of searching for substitute products more expensive.⁴⁸

⁴³ Pape, R. A. (1997). Why economic sanctions do not work. *International Security*, 22(2), 91.

⁴⁴ Cleveland, S. H. (2001). Norm internalization and US economic sanctions. *Yale J. Int'l L.*, 26, 1.

⁴⁵ Gordon, E., & Lichtenstein, C. (1982). Trends: The Decision to Block Iranian Assets—Reexamined. *The International Lawyer*, 161-186.

⁴⁶ Øverland, I., & Daniel, F. (2015). Financial Sanctions Impact Russian Oil, Equipment Export Ban's Effects Limited.

⁴⁷ Wallensteen, P. (1968). Characteristics of economic sanctions. *Journal of Peace Research*, 248-267.

⁴⁸ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (1990). Economic sanctions reconsidered: History and current policy (Vol. 1). Peterson Institute, 36.

Much in the same way, negative feedback from the imposition of economic sanctions can also take a political form: for instance, as Early clarified, in the case of Iran, after the European Union blocked the Islamic Republic from using the SWIFT banking network - a movement “designed to make it more difficult to repatriate the payments for its fossil fuel exports” - Iran resorted to the old and not quite as sophisticated technique of gold. Moreover, Iran started using Turkish banks and the UAE to circumvent the international embargo and to launder money via third parties.⁴⁹ Taking this information into account, it could be said that should the West cut Russia out of the same SWIFT network or embargo oil exports, Putin would resort to using the Chinese-based banking system or re-direct trade towards the Orient altogether, as he has often threatened.^{50 51} These are some scenarios which probably would not contribute to the economic well-being of the Western world.

In addition to the types of economic sanctions determined by Pape and Hufbauer, it is essential that this work draws attention to the characteristics of the same sanctions. Wallenstein stated that economic sanctions serve as expressive acts in the international system, because “they involve more spectacular measures than usually adopted, such as official notes.”⁵² These very same acts, underlines the author, are not effective in influencing the receiver, for they seem to actually boost the stability of the sanctioned country’s current political regime and “increase popular support for the receiver government.” This is exactly what happened in Russia after the state information propaganda machines managed to make the general populace consolidate its support around Putin, who was portrayed as a leader of “Fortress Russia”, besieged by hostile

⁴⁹ Early, B. (2015). *Busted sanctions: Explaining why economic sanctions fail* (p. 1). Stanford University Press.

⁵⁰ Putin, V. (2014, November 10). Vladimir Putin: Russia intends to expand trade in Russian and Chinese currencies via energy exports. Retrieved November 5, 2015.

⁵¹ Brenton, S. T. (2015). Russia Turns East: Or Does It?. *Asian Affairs*, 46(3), 411-423.

⁵² Wallenstein, P. (1968). Characteristics of economic sanctions. *Journal of Peace Research*, 251, 252.

powers.⁵³ It should also be said that, according to Reinisch, the “economic sanctions ‘theory’ maintains that economic pressure on civilians will translate into pressure on the government for change”.⁵⁴

However, as I had pointed out in the previous section, and the same thought is reiterated in Reinisch’s work, such a plan doesn’t always work in practice, particularly in cases where non-democratic or quasi-democratic political systems allow less accountability, with these “leaders’ ability to “retranslate” the message of sanctions into punishment and retribution against the country, which, in turn, enhances popular support for the regime in “rally round the flag” fashion”.⁵⁵

Due to the aforementioned difficulties, sanctions can take a personalist form, with the democratic countries using them as “an effectual strategy to destabilize dictatorial rulers”, trying to make autocrats become “sensible to economic coercion.”⁵⁶ Various scholars offer different conclusions on this matter. Some, like Marinov insist that there are grounds to suggest that economic sanctions targeted against a country’s ruler or a group of rulers have a lot of potential, whereas other, like Escribà-Folch have some reservations and even argue that sanctions are counter-productive to the case of democratic changes.^{57 58} I will present both sides of an argument on this matter.

According to Marinov’s estimates, economic sanctions do meet their expectations, because “a

⁵³ Boyd-Barrett, O. (2015). Ukraine, Mainstream Media and Conflict Propaganda. *Journalism Studies*, 1-19.

⁵⁴ Reinisch, A. (2001). Developing human rights and humanitarian law accountability of the Security Council for the imposition of economic sanctions. *American Journal of International Law*, 851.

⁵⁵ Reinisch, A. (2001). Developing human rights and humanitarian law accountability of the Security Council for the imposition of economic sanctions. *American Journal of International Law*, 851.

⁵⁶ Escribà-Folch, A., & Wright, J. (2008). Dealing with Tyranny: International Sanctions and Autocrats' Duration, 3.

⁵⁷ Escribà-Folch, A. (2012). Authoritarian Responses to Foreign Pressure Spending, Repression, and Sanctions. *Comparative Political Studies*, 45(6), 683-713.

⁵⁸ Escribà-Folch, A., & Wright, J. (2010). Dealing with tyranny: International sanctions and the survival of authoritarian rulers. *International Studies Quarterly*, 54(2), 335-359.

leader who is subject to economic sanctions in a given year, on average, is more likely to lose in the following year.” Based on the research that involved the cases of Eden Macmillan of Great Britain (1957), Pol Pot and Heng Samrin in Cambodia (1979), Argentina’s Galtieri and Alfonsin (1981-1983) and Noriega with Galimay in Panama (1989), the author concluded that while under sanctions, democratic leaders are more prone to replacement, with the chances growing over time. The same conclusion applies to mixed regimes, but what is important is that each individual country has its own political, historical, economic and cultural peculiarities. For example, Marinov quoted a New York Times op-ed that criticized the tool of sanctions for being not as powerful in the case of South Africa and lambasted it altogether, saying that “in more typical cases of Iraq, Haiti, Cuba and North Korea, sanctions have seemed to empower dictators”.⁵⁹ A fair conclusion could be that history, culture and socio-political background really matter and even targeted sanctions with surgical precision are not guaranteed to achieve a desired outcome. However, Marinov finished his work on a positive note, saying that “recent moves in the literature to understand how sanctions can be targeted on the deviant leaders, and not their subject populations, are a welcome step.” Depriving these autocratic leaders of the tools and reasons to boost their own political survival is a welcome step indeed.

On the other side of this debate, Escribà-Folch examined a few notorious cases when targeted sanctions were deployed against personalist regimes (and single-party and military as well), such as Zaire during the Mobutu reign, Tunisia during the Socialist Destourian Party and Brazil’s governments in the 1960s and 1970s. Interestingly enough, the current political regime in Russia combines all traits of aforementioned classification, containing elements of personalist, single-party and militarist traits. It has strong traits of a personalist regime due to the perception

⁵⁹ Marinov, N. (2005). Do economic sanctions destabilize country leaders?. *American Journal of Political Science*, 49(3), 565-575.

of Putin as a “strongman”, a single-party regime because of the visible and perennial dominance of the Putin-led “United Russia” party and, finally, militarism due to the fact that, in the words of the senior associate at the Carnegie Endowment for International Peace Lilia Shevtsova, for the first time in Russia’s history, “praetorians” are in charge of the country.^{60 61 62} That is why this research is so paramount - in accordance with Escribà-Folch findings, instead of forcing authoritarian regimes to embrace democratic reforms, foreign sanctions are “more likely to trigger domestic policy changes aimed at maximizing rulers’ likelihood of retaining office.” They - authoritarian leaders - do it by modifying “their levels of rewards for loyalty and of repression.”⁶³ For instance, the Putin regime boosted its defence spending from 509 billion roubles in 2008 to 1004 billion in 2016; national security and police spending jumped from 522 bn. in 2008 to 1314 bn in 2016; and internal police spending alone has leaped from 206 bn. to 650 bn.⁶⁴ In addition, the harnessed Russian “parliament” fast-tracked a law vastly expanding the police’s (MVD) and Federal Security Service’s (FSB) authority, granting them the right to entry the private homes during riots as well as open lethal fire against women and children if these people are engaged in terrorist activities.^{65 66}

What is more, in the same work Escribà-Folch discovered a general pattern that shows that “single-party regimes increase spending on subsidies and transfers which largely benefit

⁶⁰ Fortescue, S. (2015). Russia's “turn to the east”: a study in policy making. *Post-Soviet Affairs*, 1-32.

⁶¹ Reuter, O. J., & Remington, T. F. (2009). Dominant Party Regimes and the Commitment Problem The Case of United Russia. *Comparative Political Studies*, 42(4), 501-526.

⁶² Barany, Z. (2008). Superpresidentialism and the military: the Russian variant. *Presidential Studies Quarterly*, 38(1), 14-38.

⁶³ Escribà-Folch, A. (2009). Authoritarian Responses to Foreign Pressure: Spending, Repression, and Sanctions, p.23.

⁶⁴ Avtomatizirovannaya sistema obespecheniya zakonodatelnoy deyatelnosti. (2015, November 23). Retrieved December 30, 2015, from [http://asozd2.duma.gov.ru/main.nsf/\(SpravkaNew\)?OpenAgent&RN=911755-6&02](http://asozd2.duma.gov.ru/main.nsf/(SpravkaNew)?OpenAgent&RN=911755-6&02)

⁶⁵ Folch, A. E. (2003). *Legislatures in authoritarian regimes*. Instituto Juan March de estudios e investigaciones.

⁶⁶ Makutina, M., & Solotov, M. (2015, December 22). Gosduma razreshila sotrudnikam FSB strelyat po jhenshinam. Retrieved December 30, 2015, from <http://www.rbc.ru/politics/22/12/2015/567934ae9a79479cf2903c42>

more substantial sectors of the population and especially the urban classes.” Likewise, asserted the author, “military regimes increase their expenditures on goods and services, which include military equipment and soldiers’ and officers’ wages” - as demonstrated in the new Russian 2016 budget that raised both spending categories. Finally, personalist regimes “reduce spending in all categories, especially capital expenditures, while increasing repression much more than other regime types when targeted by sanctions” - the same 2016 budget showed either reduction or insignificant increase of all spending except for the military, police and secret service domains.

The overall conclusion drawn from this research by Escribà-Folch is that economic sanctions can bring challenges to leaders in personalist regimes, while the same sanctions are either almost futile against heads of military and single-party regimes or actually prologue their survival.

Finally, Wallenstein produced the argument that sanctions in themselves diminish the scope of the sanctions’ influence: “after such a break, the sender will have little or no influence on the development inside the receiver”.⁶⁷ Hufbauer, Elliott et al added that world leaders often deem that “obvious alternatives to economic sanctions are unsatisfactory” - for them, military action is too forceful and belligerent while diplomatic protest is too insignificant.⁶⁸ Also, very often politicians resort to sanctions to “placate domestic pressure groups” by making sanctions purely symbolic.⁶⁹

Therefore, concludes Wallenstein, if an imposing country is to actually make economic sanctions work, financial and trade measures have to be supplemented by “more subtle methods

⁶⁷ Wallenstein, P. (1968). Characteristics of economic sanctions. *Journal of Peace Research*, 264.

⁶⁸ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (2007). *Economic sanctions reconsidered*, 3d ed. Peterson Institute, 13.

⁶⁹ Kaempfer, W. H., & Lowenberg, A. D. (1988). The theory of international economic sanctions: A public choice approach. *The American Economic Review*, 786-793.

of influence”, such as breaks of certain sectors of “economic, diplomatic communication and other types of relations.”⁷⁰

1.3. The effectiveness of economic sanctions.

The question whether economic sanctions actually work is one of the most debated and controversial among political scientists and statesmen alike. Naturally, there are debates as to what amounts to a failure or a success when it comes to an imposition of such harsh measures. Stern, Drukman et al, referencing Jentleson, state that it is important to take into consideration “the target state’s economic and political capability to defend against sanctions”, as well as “the sender state’s ability to limit its own domestic constraints.”⁷¹ Moreover, Jentleson pointed out that sanctions can not be successful unless the imposing side takes into account the targeted country’s economic and political resilience to resist the sanctions as well as the sanctioning side’s own ability to reduce domestic pressure that comes as a result of such policies. Indeed, Tsebelis made links to two fundamental studies to which I had also referred above. First, he referenced Baldwin, who tried to find an answer to the question, “Why do statesmen continue to practice economic sanctions when ‘everybody knows’ that it does not work?”⁷² Second, Tsebelis made a reference to Hufbauer and Schott, whose studies showed that in 83 cases that contained economic sanctions after 1914, the rate of success was a meagre 40%.⁷³ In the newer research performed by the same Hufbauer and Schott, the success rate was downgraded to 34%.⁷⁴ In their second, 1990, edition of the book, these authors uncovered “Nine Commandments” that are in-

⁷⁰ Wallensteen, P. (1968). Characteristics of economic sanctions. *Journal of Peace Research*, 265.

⁷¹ Stern, P. (2000). *International conflict resolution after the Cold War* (p. 19). Washington, D.C.: National Academy Press.

⁷² Baldwin, D. (1985). *Economic statecraft* (p. 3). Princeton, N.J.: Princeton University Press.

⁷³ Tsebelis, G. (1990). Are sanctions effective? A game-theoretic analysis. *Journal of Conflict Resolution*, 34(1), 3-28.

⁷⁴ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (1990). *Economic sanctions reconsidered: History and current policy* (Vol. 1). Peterson Institute, 93.

tended to maximize the chances of success - which were updated and therefore transformed into “Seven Recommendations” in the third, most recent 2007 edition of their book - while in a different work published in 2008, an assessment of almost 200 observations since the First World War also displayed four conditions that make sanctions most effective. I believe it is essential to locate both seven and four cases, for this data composes a cornerstone, a core bulwark of research to which many other analysts refer in their own articles.⁷⁵

Subsequently, the four cornerstone principles exposed by Hufbauer et al to confirm the economic sanctions’ effectiveness are:

- 1) **Reasonable and modest goals:** it is far more possible to achieve the release of a political prisoner rather than to overthrow a hostile regime. “Less ambitious goals may be achieved with more modest sanctions”, stated the authors. Also, exercising restraint is crucial because there are fewer chances of provoking an allied or sympathetic power of a sanctioned country to step in and effectively neutralize the effect of sanctions. For instance, it was easier to conduct pressure against South Africa’s apartheid regime to release prominent leaders, such as Nelson Mandela, than to force the government change. Levy noted that even though economic sanctions made a contribution to the regime’s downfall, the main factors that enabled changes were political and psychological pressures. Overall, economic sanctions applied “substantial internal disruption” which was an essential factor in itself.⁷⁶
- 2) **The chances of success are higher if the target country is “smaller, economically weak and politically unstable.”** The authors added that “the average sender’s economy in the 198 episodes studied was 245 times as large as the economy of the average target.” In addition,

⁷⁵ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (1990). Economic sanctions reconsidered: History and current policy (Vol. 1). Peterson Institute, 94-105.

⁷⁶ Levy, P. I. (1999). Sanctions on South Africa: What did they do?. *American Economic Review*, 11.

the authors didn't even take into account 21 cases in which a major power targeted a microstate, and the GDP ratio exceeded 2000. With reference to Hufbauer, Schott, and Elliott's data, Bapat wrote that "targets with weaker economies should be increasingly vulnerable to sanctions pressure, while sender(s) with greater economic power will be better able to apply economic pressure".⁷⁷

- 3) **The sanctions must be imposed swiftly and firmly to reach a maximum effect.** According to Smeets, due to the presence of many active parties, it is incredibly arduous to come to a common conclusion with regard to many details, effects and duration of the sanctions. "There will always be countries dragging their feet and taking the economic benefits of the sanctions, and engaging in friendly relations with the target country in return for business contracts", recognized the author. Therefore the sooner the common line is adopted, the less time un-cooperative allies for such political manoeuvres have.⁷⁸ Moreover, successfully coordinated sanctions bring greater results: Hufbauer et al clarified that "the average cost to the target as a percentage of GNP in successful cases was 2.6 percent and in failures was only 1.5 percent (excluding Iraq), while successful sanctions lasted an average of only three years, versus eight years for failures."
- 4) **The sanctioning country manages to escape backfiring high political and economic costs.** The authors also decided that increasing economic interdependence serves as a double-edged sword: "it increases the latent power of economic sanctions because countries are more dependent on international trade and financial flows." As the world economy progresses, it becomes increasingly costly to maintain the sanctions regime against an active world

⁷⁷ Bapat, N. A., & Clifton Morgan, T. (2009). Multilateral versus unilateral sanctions reconsidered: A test using new data. *International Studies Quarterly*, 53(4), 1084.

⁷⁸ Smeets, M. (1990). Economic sanctions against Iraq: the ideal case?. *Journal of World Trade*, 24(6), 110.

player. Geopolitical considerations are particularly significant because disagreements between the allies can not only nullify the effect of the sanctions, but sow divisions between the allied sanctioning countries themselves: for instance, as Martin explained, when the US imposed economic sanctions (embargo of the oil and gas equipment) against Poland and the USSR in response to Poland's 1981 martial law, the European countries with vested business interests refused to comply with these demands, therefore forcing the Reagan administration to resort to the extraterritorial application of the law. Angered by such political diktat coming from the Americans, the UK, French and West German governments "intervened to force [their] firms to meet their obligations."

This, continued Martin, sparked a crisis within NATO itself, with Western European countries balancing on the edge of a full-scale trade war with the USA - "trade actions among these lines would be interpreted as first salvos in a full-fledged economic war and almost certainly result in retaliation", as depicted in the CIA paper for NSC ("Possible Allied Response to US Strategy on the Pipeline"). The Reagan administration backed off, lifting their own restrictions on the American firms.⁷⁹ Consequently, the author concluded that cooperation is essential for sanctions to work. Avoiding high political costs helps to achieve that goal.⁸⁰

As for the seven "commandments" (recommendations), they take the following form:

- 1) **"Don't Bite Off More Than You Can Chew"**: high-ranking, substantial goals are unlikely to be achieved without the threat of military force, which means that the cost of using that threat

⁷⁹ Cold War: CIA paper for NSC ("Possible Allied Response to US Strategy on the Pipeline") [declassified 2004]. Margaret Thatcher Foundation. October 27, 1981. Accessed:

<http://www.margaretthatcher.org/archive/displaydocument.asp?docid=110993>

⁸⁰ Martin, L. L. (1993). Credibility, costs, and institutions: Cooperation on economic sanctions. *World Politics*, 45(03), 406.

would be unacceptably high. As a result, modest and reasonable goals are more likely to succeed (much like the argument stated in point 1 above).

2) **“Friends Are More Likely to Comply than Adversaries”**: Evidence supports the claim that economic sanctions work particularly well when they are directed at a sending country’s friends and close trading partners, for the reason that two countries have more extensive ties than usual, and as a result they have much more to lose.

3) **“Beware Autocratic Regimes”**: evidence suggests that democracies are far more vulnerable to economic pressures than autocratic countries. The reason is that “dictators can better ignore the costs of defying sanctions” and “success is more likely when the sender’s relations with the target are cordial than when they are antagonistic.” As Lady Thatcher put it a 1976 speech, “The men in the Soviet politburo don't have to worry about the ebb and flow of public opinion. They put guns before butter, while we put just about everything before guns.”⁸¹

4) **“Slam the Hammer, Don’t Turn the Screw”**: if the sanctions are applied slowly or incrementally, they “may simply strengthen the target government at home as it marshals the forces of nationalism.” In addition, these measures could be circumvented by a sender’s own businesses or overseas competitors. As the authors put it, “time affords the target the opportunity to adjust: to find alternative suppliers, build new alliances and mobilize domestic opinion in support of its policies”.

5) **“More is Not Necessarily Merrier”**: international support for sanctions can reinforce the political will and economic measures that come with them, but the very size of a coalition “can hurt chances of success by diluting the scope and impact of the common sanctions in the process of securing agreement among the senders.” ‘Forced’ cooperation can corrupt the unity among the

⁸¹ Speech at Kensington Town Hall ("Britain Awake") (The Iron Lady). Retrieved November 6, 2015, from <http://www.margarethatcher.org/document/102939>.

coalition members and cause backlash, while the absence of cooperation among the allies leaves the door open for the sanctioned country to seek foreign help. The solution is a unilateral approach or genuine cooperation among the allies.

6) **“Choose the Right Tool for the Job”**: very often sanctions can serve as “apéritif” of a larger menu in order to “prod the pond” and assess the situation before a military solution - if it is necessary at all - could be applied. The way the authors of this book describe it, initial sanctions are regarded as “companion measures” to strengthen pressure on the target and to increase chances of achieving the desired policy outcome.

7) **“Don’t Be a Cheapskate or a Spendthrift”**: the authors postulated that it is essential that the sanctioning countries “match costs imposed on domestic constituencies and allies to expected benefits”, because otherwise the public support for the cause of sanctions might evaporate. Referencing a plethora of other researchers, Hufbauer et al stated that a high cost on a sanctioning country’s economy indicates a strong degree of seriousness, but that resolve can be nullified by outraged or hurt domestic elements. Allies’ considerations must also be taken into account, for they can take their own actions to block their businesses from complying with the extraterritorial sanctions of a major power.

1.4. Conclusion to the first chapter.

The analysis conducted in this first chapter has presented a few definitive conclusions. I believe it could be said that, first of all, the tool of economic sanctions entered the world arena after the First World War and became entrenched in political reality ever since that war ended. The reason why economic sanctions became one of the most prominent tools of foreign policy is, according to Ripsman and Levy, “politicians’ desire to avoid bloodshed and hostilities caused by

the military action.”⁸² The inability to coerce a hostile country into submission without the use of military force has prompted European leaders to envisage other methods to achieve their objectives, and the mechanism of economic sanctions has become one of them.⁸³

Secondly, it has been established that economic sanctions encompass economic measures, including financial and trade restrictions, which, in turn, can take different forms in each particular case, with a varying degree of intensity and force to meet necessary objectives.

Thirdly, based on the most fundamental works and research projects conducted in that area, this chapter has identified eleven conditions or cases that increase the chances of success of the sanctions mechanism. The key elements here are reasonable demands, preemptive political considerations and knowledge of the social and historic background of a targeted country. The next chapter will examine this subject further, and it will demonstrate whether sanctions were useful or not in various defined scenarios.

Chapter II.

Expected outcomes of sanctions.

It is often assumed that the imposition of the punitive economic sanctions is usually a tool preferred by the Western democracies.⁸⁴ Lektizan and Souva argue that democracies “im-

⁸² Ripsman, N. M., & Levy, J. S. (2008). Wishful thinking or buying time? The logic of British appeasement in the 1930s. *International Security*, 33(2), 148-181.

⁸³ Gibson, S. S. (1999). International Economic Sanctions: The Importance of Government Structures. *Emory Int'l L. Rev.*, 13, 161.

⁸⁴ Levitsky, S., & Way, L. A. (2006). Linkage versus leverage. Rethinking the international dimension of regime change. *Comparative Politics*, 379-400.

pose sanctions more often than other regime types because they encompass a greater variety of interest groups”.⁸⁵

For instance, very often sanctions are motivated by the desire to promote democracy and democratic institutions by coercing an oppressive regime into changes - sometimes, as in case with South Africa, as a result of demands from grassroots democratic organizations.⁸⁶ Even in Russia today, there have been a few strong voices advocating for the continuing imposition of economic sanctions to compel the current regime to desist from the use of force in Eastern Ukraine and resort to political reforms within the country to lift these existing sanctions.⁸⁷

Even so, the main point here is that generally, the installation of sanctions pursues three desired outcomes: regime change; return to a previous status-quo (status quo ante bellum); and non-proliferation of the Weapons of Mass Destruction (WMD). My next three sub-chapters will be dedicated to the expansion of these ideas.

1.1 Regime change.

Before I delve into greater details of my research, I would like to present a few crucial observations. The first one is that there is often an assumption that actors imposing sanctions against a specific target actually expect a positive outcome - still, these seemingly punitive actions are insignificant and serve only as symbolic measures to make a broader statement, satisfy public demand for action, raise standing in the polls or just pretend to act decisively on the world stage. For instance, as Weiss perceived, a country’s leader may join in international sanctions or impose them himself “to satisfy domestic concerns”. Similarly, explained the author, the same

⁸⁵ Lektzian, D., & Souva, M. (2003). The economic peace between democracies: Economic sanctions and domestic institutions. *Journal of Peace Research*, 40(6), 641.

⁸⁶ Klotz, A. (1995). Norms reconstituting interests: global racial equality and US sanctions against South Africa. *International Organization*, 49(03), 451-478.

⁸⁷ Sidorenko, S. (2015, July 2). Ex-Vice President of Russian Central Bank: The UKOS case and sanctions are not intertwined, except for in Putin's mind. Retrieved November 8, 2015.

leaders choose such actions to “show solidarity” with other states or allies. In addition, sometimes “multiple sanctions and domestic pressure to maintain sanctions can combine to create a sanctions episode” that reinforce the case for sanctions in itself, becoming nothing more than a political tool to serve different goals rather than those that had been designated in the first place.⁸⁸

In addition to that, Taylor, making a reference to Hiscox, argued that after conducting a study of a number of cases from 1978-98, it has become clear that public opinion plays an important role in the case of sanctions. For instance, the author stated that “issues exhibiting a high degree of public salience will more likely become the target of sanctions”. The same author insisted that the US Presidents are far more inclined to impose sanctions on lesser powers, responding to domestic public pressures.⁸⁹ Cox and Drury found that democratic countries impose more economic sanctions against other targets than non-democratic states, but they are less inclined to direct these measures against each other. Besides, the U.S. imposes more sanctions than any other democratic country.⁹⁰ Still, democracies usually target allies “only when given dispute becomes highly salient to the public.”⁹¹

Regime change is an imposition of “the forcible replacement by external actors of the elite and/or governance structure of a state so that the successor regime approximates some purported international standard of governance.”⁹² Smith revealed that rather than pursue a goal of a regime change, usually a targeting country seeks to coerce a sanctioning state to change one or

⁸⁸ Weiss, T. (1997). Political gain and civilian pain humanitarian impacts of economic sanctions (p. 23). Lanham: Rowman & Littlefield.

⁸⁹ Taylor, B. (2010). American sanctions in the Asia-Pacific (p. 30). London: Routledge.

⁹⁰ Hafner-Burton, E. M., & Montgomery, A. H. (2008). The hegemon's purse: No economic peace between democracies. *Journal of Peace Research*, 45(1), 112.

⁹¹ Taylor, B. (2010). American sanctions in the Asia-Pacific (p. 30). London: Routledge.

⁹² Reisman, W. M. (2004). The Manley O. Hudson Lecture: Why Regime Change Is (Almost Always) a Bad Idea. *American Journal of International Law*, 516.

another of its policies.⁹³ Pape argued that the nature of modern states makes it well nigh impossible to seek direct regime change, thus forcing sanctioning countries to resort to much more modest goals. Sometimes a targeting nation acknowledges that since in certain instances economic sanctions can not realistically achieve the goal of a regime change. They can, on the other hand – as in the case of Iraq in the first Gulf War - hamstring an aggressor’s “capability to pursue policies that menace” their interests.⁹⁴

Since the goal of regime change is political in its nature, “economic sanctions have little independent usefulness for pursuit of noneconomic goals.”⁹⁵ For example, respect for the human rights and political liberalization were one of the main causes for the imposition of sanctions against Iraq in the early 1990s.⁹⁶ However, as Jones explained it, “the regime’s coalitional base and ruling strategy changed substantially, but its brutal and authoritarian character did not.”⁹⁷

What is even more significant is that even if Saddam Hussein's regime agreed to fundamental - and legitimate - political shifts in power, the lack of a “major political movement” consistently opposing the regime made it impossible for anyone to take that baton of power.⁹⁸ According to Jones, “in the absence of a stronger domestic opposition ... economic sanctions alone can not support significant change from outside the regime.”⁹⁹ This is why, making a reference to a well-respected case studies performed by Hufbauer, Elliott and Schott in 1990 with the goal

⁹³ Smith, A. (1995). The success and use of economic sanctions. *International Interactions*, 21(3), 229-245.

⁹⁴ Jones, L. (2015). *Societies Under Siege: Exploring How International Economic Sanctions (Do Not) Work*. Oxford University Press, USA, 172.

⁹⁵ Pape, R. A. (1997). Why economic sanctions do not work. *International Security*, 22(2), 93.

⁹⁶ Peksen, D., & Drury, A. C. (2009). Economic sanctions and political repression: Assessing the impact of coercive diplomacy on political freedoms. *Human Rights Review*, 10(3), 393-411.

⁹⁷ Jones, L. (2015). *Societies Under Siege: Exploring How International Economic Sanctions (Do Not) Work*. Oxford University Press, USA, 170.

⁹⁸ Bollen, K. A. (1990). Political democracy: Conceptual and measurement traps. *Studies in Comparative International Development*, 25(1), 7-24.

⁹⁹ Jones, L. (2015). *Societies Under Siege: Exploring How International Economic Sanctions (Do Not) Work*. Oxford University Press, USA., 170.

of tracking sanctions' effectiveness with regard to regime change, Pape insisted that the whole study was “seriously flawed” due to the improper techniques of assessment. Judging by the effect of economic, and only economic, sanctions, only 5 out of 115 cases can legitimately be considered success stories.¹⁰⁰

Nevertheless, Hufbauer et al made a conclusion that the goal of regime change represented the most frequent foreign policy goal for economic sanctions: out of 204 cases (published in 2007), 80 were dedicated to that goal. These authors saw that the Cold War was particularly rich in regime change instances, but after the Cold War, the regime change sanctions have been directed mainly by the US and the EU to “restore or promote democratic forms of governance.” Africa accounts for a lion’s share of these cases, namely 14 out of the 30 cases since 1989.¹⁰¹

There are “moral and strategic” reasons for this, as Levitsky and Way put it in their work, an “international dimension of democratization.”¹⁰² For instance, some scholars, like former US Ambassador to Russia Michael McFaul, say that the United States has an intrinsic “ideological mission of promoting democracy”, and ascribe to the promotion of democracy many political, economic and geo-political benefits. “Rulers no longer champion an alternative form of government to democracy,” stated the former Ambassador.¹⁰³ “And democracy is the alternative, liberty”, reiterated his ideological approach President G. W. Bush.¹⁰⁴

However, Levitsky and Way, whom I referred to above, stated that such efforts to spread democracy vary from region to region: they have a stronger impact “in Central Europe and Latin

¹⁰⁰ Pape, R. A. (1997). Why economic sanctions do not work. *International Security*, 22(2), 93.

¹⁰¹ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (2007). *Economic sanctions reconsidered*, 3d ed. Peterson Institute, 67-68.

¹⁰² Levitsky, S., & Way, L. A. (2006). Linkage versus leverage. Rethinking the international dimension of regime change. *Comparative Politics*, 379.

¹⁰³ McFaul, M. (2004). Democracy promotion as a world value. *Washington Quarterly*, 28(1), 204.

¹⁰⁴ Bush, G. (2003). Public papers of the Presidents of the United States, George W. Bush (p. 96). Washington, D.C.: Office of the Federal Register, National Archives and Records Administration.

America than in Africa, East Asia and the former Soviet Union.”¹⁰⁵ The reason for that is the difference in histories, cultures and popular attitudes: as Lady Thatcher wrote in 1999, "In order to be considered truly free, countries must also have a deep love of liberty and an abiding respect for the rule of law". Above all, the former British Prime Minister linked it with “a practical and philosophical appreciation of history.”¹⁰⁶

Nevertheless, as a part of democracy promotion, holding democratic elections is often a major prerequisite of sanctions relief, with international organizations helping to monitor these changes.¹⁰⁷ At the same time, Hufbauer et al pointed out that insistence on “clean elections” and building democratic political structure equates to driving the sitting president from power.¹⁰⁸

But what are other main reasons which have been driving the regime change agenda post-Cold War and which are not rooted in moral or philosophical grounds? According to Hufbauer et al, a few objectives are important: 1) to change a government that had adopted a hostile attitude towards the sanctioning country, as the cases of Cuba and Iraq have demonstrated; 2) to boost anti-narcotic efforts (as in case with Columbia in 1996), and 3) to bring regional stability (as in the cases with South Africa and Côte d’Ivoire). Also, international law played a major role in these efforts: according to Reisman, “modern international law has installed a major imperative for regime change: internationally guaranteed human rights - in extreme situations, the forcible action is a right thing to do.”¹⁰⁹ It is vital to mention that there is a stark difference between the

¹⁰⁵ Levitsky, S., & Way, L. A. (2006). Linkage versus leverage. Rethinking the international dimension of regime change. *Comparative Politics*, 379.

¹⁰⁶ Thatcher, M. (1999, October). The Challenge of Educating for 21st Century Citizenship. Retrieved January 25, 2016, from <http://imprimis.hillsdale.edu/the-challenge-of-educating-for-21st-century-citizenship/>.

¹⁰⁷ Kelley, J. (2008). Assessing the complex evolution of norms: the rise of international election monitoring. *International Organization*, 62(02), 221-255.

¹⁰⁸ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (2007). *Economic sanctions reconsidered*, 3d ed. Peterson Institute, 63.

¹⁰⁹ Reisman, W. M. (2004). The Manley O. Hudson Lecture: Why Regime Change Is (Almost Always) a Bad Idea. *American Journal of International Law*, 517.

political goals of economic sanctions which were applied during the Cold War and those which were applied after it: in the earlier decades, these measures used to be efforts to win a broader geopolitical struggle between the two main superpowers, whereas after the collapse of the Soviet Union, “democratization” and the promotion of democracy replaced that old rivalry.¹¹⁰

The next chapter will be dedicated to the military side of the sanctions debate.

1.2. Impairment of an aggressor’s military capabilities.

The second reason why a sanctioning country or a group of countries decide to resort to this measure is due to their desire to “enforce disarmament”¹¹¹ or to “coerce an aggressive country to abandon its military adventure.”¹¹² Hufbauer et al, as told by Askari, described it as the “disruption of a minor military adventure” and “impairing the military potential of the target country.”¹¹³ Many other researchers suggested that this type of sanctions, namely the exertion of economic and financial pressure to compel a hostile country’s to halt its military adventures, most brightly manifested itself during the 1935-36 Italo-Ethiopian colonial war.¹¹⁴ Having said that, as Baer elucidated above, limited British and French economic sanctions did not save Ethiopia, nor did they entrench the authority of the League of Nations. Since that time, in many cases sanctions have been used “as a prelude to force rather than a substitute for force.”¹¹⁵ I will expand on this particular topic further.

Hufbauer et al noted that during the last century, the Western powers never believed that

¹¹⁰ Teorell, J. (2010). *Determinants of democratization: Explaining regime change in the world, 1972–2006*. Cambridge University Press.

¹¹¹ Lopez, G. A., & Cortright, D. (1997). Economic sanctions and human rights: Part of the problem or part of the solution?. *The International Journal of Human Rights*, 1(2), 1-25.

¹¹² Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (2007). *Economic sanctions reconsidered*, 3d ed. Peterson Institute, 69.

¹¹³ Askari, H. (2003). *Economic sanctions: Examining their philosophy and efficacy*. Westport, CT: Praeger.

¹¹⁴ Baer, G. W. (1973). Sanctions and security: The League of Nations and the Italian–Ethiopian war, 1935–1936. *International Organization*, 27(02), 165-179.

¹¹⁵ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (2007). *Economic sanctions reconsidered*, 3d ed. Peterson Institute, 70.

economic sanctions would “decisively contribute to the outcome” - on the contrary, they expected these economic measures to have an impact in a slightly different way, to “marginally erode the adversary’s military capabilities, thereby constraining its actions.”¹¹⁶ For instance, as Byman characterized it in his book, the United States has been trying “since the early 1990s to deter a conventional attack by North Korea on the United States’ South Korean ally” by employing massive economic sanctions against that country. Consequently, noted Byman, any Northern attack has been prevented, and the North’s nuclear program “has made at most limited progress since 1994” (that certainly constituted success). But economic sanctions did not “enforce removal or destruction of a key component” of North Korea's nuclear program.^{117 118} Similarly, Hufbauer et al explained that economic sanctions were used by the United States to “tame” Soviet aggressiveness by “denying the Soviet military machine its technological sustenance” and later, in the early 1980s, by imposing additional measures in response to the invasion in Afghanistan and the suppression of Poland. What is more, Hufbauer et al observed that similar economic sanctions to suffocate a target country with technological deprivation were also applied by America to China and India. Cuba, Israel, Rhodesia and Argentina were also sanctioned by other countries or blocs of countries.¹¹⁹

It should be added that few policymakers expect economic sanctions alone to be efficient when it comes to disrupting a hostile country’s military actions, and very often they prove to be

¹¹⁶ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (2007). *Economic sanctions reconsidered*, 3d ed. Peterson Institute, 71.

¹¹⁷ Byman, D., & Waxman, M. (2002). *The dynamics of coercion: American foreign policy and the limits of military might*. Cambridge University Press, 34.

¹¹⁸ Erickson, S. A. (2001). Economic and technological trends affecting nuclear nonproliferation. *The Nonproliferation Review*, 8(2), 47.

¹¹⁹ Losman, D. L. (1979). *International Economic Sanctions: The Cases of Cuba, Israel, and Rhodesia* (pp. 1-3). Albuquerque: University of New Mexico Press.

even less efficient than previously expected.¹²⁰ As Pape showed, analysis of 115 economic sanctions episodes from 1914 to 1990 conducted by Haufbauer et al displayed little evidence that can support the claim that economic sanctions are capable of achieving major military-political foreign policy goals.¹²¹

Perhaps taking that criticism into consideration, Haufbauer et al improved their conclusions in the last, 2007, edition of their seminal work, by adding that “it was hard to find economic links whose destruction - whether by sanctions or by bombing - could cripple the war machine.” Instead, they pronounced, economic sanctions contributed by providing additional attrition, including technological. In fact, in case of economic sanctions (technological embargo) against the USSR and PRC, the Soviet and Chinese technological development was set back only to a certain extent (because the Soviets and Chinese often resorted to stealing missing or required details¹²², sometimes via third parties¹²³).

To sum up, the fundamental research conducted by Haufbauer et al has shown that the use of economic sanctions (115 cases) to compel a hostile country to change its aggressive foreign policy programme has been successful 34% of the time. Under much scrutiny performed by Pape, it is become clear that the successful outcome was present less than 5% of the time. The reasons is that alleged successes of economic sanctions are in fact “instances of successful use of force,” which in much research, including Haufbauer’s, are underrated and underreported.¹²⁴

1.3. Non-proliferation of Weapons of Mass Destruction (WMD).

¹²⁰ Bolks, S. M., & Al-Sowayel, D. (2000). How long do economic sanctions last? Examining the sanctioning process through duration. *Political Research Quarterly*, 53(2), 241-265.

¹²¹ Pape, R. A. (1997). Why economic sanctions do not work. *International Security*, 22(2), 106.

¹²² Saunders, P. C., & Wiseman, J. K. (2011). Buy, Build, Or Steal: China's Quest for Advanced Military Aviation Technologies. NATIONAL DEFENSE UNIV FORT MCNAIR DC INST FOR NATIONAL STRATEGIC STUDIES.

¹²³ Kelly, S. D. (1989). Curbing Illegal Tranfers of Foreign-Developed Critical High Technology from CoCom Nations to the Soviet Union: An Analysis of the Toshiba-Kongsberg Incident. *BC Int'l & Comp. L. Rev.*, 12, 181.

¹²⁴ Pape, R. A. (1997). Why economic sanctions do not work. *International Security*, 22(2), 106.

Since the Cold War was brought to an end and the constraining effect of the superpowers' presence that kept the rogue nations in check evaporated as well, the international community's attention has been increasingly concentrated on the issue of the non-proliferation of the WMD.¹²⁵ Indeed, as Eckert noticed, "before the December 2009 arms embargo was imposed on Eritrea, no new UN sanctions had been adopted since 2006 that were not proliferation or terrorism-related".¹²⁶ Hufbauer et al judged that the goal of regime change became explicit in two of the WMD cases, Libya and Iraq, but it was not a main goal in other WMD cases, such as those involving South Korea, Taiwan, Pakistan and India.¹²⁷ For all that, these authors admitted, the goal of non-proliferation of the WMD is still intertwined by the desire of a regime change in the cases of North Korea and Iran.

It could be asserted that sanctions directed at non-proliferation of the WMD have worked only partially, and they have not been a strong alternative to a military solution. For instance, Hufbauer et al propounded that economic sanctions helped to "dissuade" merely four target countries from their pursuit of WMD.¹²⁸ The first case took place in mid 1970s, when in the wake of the Nixon Doctrine that required the US allies to defend themselves except in the cases of direct threat from the USSR¹²⁹, South Korea, as depicted by Elgenhardt, embarked on nuclear research, commencing work on its first nuclear reactor in 1970.¹³⁰ The reason why the US decided to give greater military responsibilities to their allies for their own self-defence was because,

¹²⁵ Elliott, K. A., & Hufbauer, G. C. (1999). Same song, same refrain? Economic sanctions in the 1990's. *American Economic Review*, 403-408.

¹²⁶ Eckert, S. E. (2009). United Nations nonproliferation sanctions. *International Journal*, 69.

¹²⁷ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (2007). *Economic sanctions reconsidered*, 3d ed. Peterson Institute, 73.

¹²⁸ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (2007). *Economic sanctions reconsidered*, 3d ed. Peterson Institute, 72.

¹²⁹ Nam, J. H. (1986). *America's commitment to South Korea: the first decade of the Nixon doctrine*. Cambridge University Press.

¹³⁰ Engelhardt, M. J. (1996). Rewarding Nonproliferation: The South and North Korean Cases. *The Nonproliferation Review*, 3(3), 31.

as Elgenhardt stated and Mueller expanded, of the “domestic displeasure with open-ended military commitments overseas” and the length of the military operations abroad.¹³¹

This aforementioned author has perhaps done the most extensive research about the history of South Korea’s nuclear ambitions. The reason why South Korea’s work on secret nuclear research was launched in early 1970s was because America started to limit its troops located in South Korea from 70,000 to 44,000, therefore prompting a shocked and horrified South Korean leadership to act. At that time, the Soviets believed that South Korea's "threat perception from north" was a "hysterical nightmare to justify the American troops in the Korean peninsula,” so even the slightest reduction in the US troops stationed there was a source of greatest discontent for the South Korean leadership.¹³² Such a reduction, wrote Hersman and Peters, “followed by the 1972 U.S. rapprochement with the People’s Republic of China, cemented Seoul’s view that it would soon be responsible for its own security and fuelled support for a covert nuclear weapons program.”¹³³ Consequently, the nuclear research activity was launched and when the US discovered the project, the threat of a complete withdrawal of the American troops instantly made South Korea cancel its project. This case demonstrates - as I had written in the first chapter - that economic sanctions achieve desired outcome among the developed nations (in both political and geo-political, pro-Western point of view), close allies and less economically advantaged countries, since they have a lot to lose (the US was South Korea’s largest trade partner, buying 26% of that country’s export).¹³⁴

¹³¹ Mueller, J. E. (1971). Trends in popular support for the wars in Korea and Vietnam. *American Political Science Review*, 65(02), 358-375.

¹³² Kim, Y. N. (1983). US-Korean security interdependence: With special reference to Northeast Asia. *Global Economic Review*, 12(1), 62.

¹³³ Hersman, R. K., & Peters, R. (2006). Nuclear u-turns: Learning from South Korean and Taiwanese rollback. *Nonproliferation Review*, 13(3), 540.

¹³⁴ Engelhardt, M. J. (1996). Rewarding Nonproliferation: The South and North Korean Cases. *The Nonproliferation Review*, 3(3), 32.

The next episode of the US using the threat of economic sanctions against South Korea, according to the same work of Engelhardt, took place in 1975 “when France announced its intention to sell the South a reprocessing plant for separating plutonium from spent fuel rods used in South Korea’s civilian reactors.”¹³⁵ Even though, as Engelhardt stressed, such an operation did not transcend the legal boundaries of the non-proliferation treaty (which S. Korea ratified in the same year of 1975), the American administration had reservations that their allies wouldn't be able to ensure the safety of atomic technological secrets.

In fact, the fear of a possible breach in nuclear security was so strong that as a rule, "In the 1970s, the United States decided to stigmatize civilian plutonium separation programs as too dangerous even though they were permitted under the Non-proliferation treaties.”¹³⁶

Consequently, the Ford administration decided to act in accordance to the general policy line practiced in the same decade. It warned the South Korean government "that building the plant would result in a loss of American Export-Import Bank loans for South Korea’s civilian nuclear program” and a major deterioration of bilateral relations.¹³⁷ As a result of this pressure, South Korea backed off again, deciding to enlarge its conventional weaponry and eventually harness peaceful atomic energy some twenty years later.

The second case happened in 1976 in Taiwan, due, in the opinion of Jacob (2012) referencing a Special National Intelligence Estimate, to a desire to pursue nuclear weapons being “born with the PRC nuclear test in 1964.”¹³⁸ Much in the same pattern, Jacob elaborated that

¹³⁵ Engelhardt, M. J. (1996). Rewarding Nonproliferation: The South and North Korean Cases. *The Nonproliferation Review*, 3(3), 32.

¹³⁶ Tannenwald, N. (2007). *The nuclear taboo: the United States and the non-use of nuclear weapons since 1945* (Vol. 87). Cambridge University Press., 339.

¹³⁷ Engelhardt, M. J. (1996). Rewarding Nonproliferation: The South and North Korean Cases. *The Nonproliferation Review*, 3(3), 32.

¹³⁸ Jacob, N. (2013). *Understanding Nuclear Restraint: What Role Do Sanctions Play? A Study of Iraq, Taiwan, Libya, and Iran*, 198.

Taiwan launched its own military programme in order to have the means of self-defence, deterrence of the possible Chinese aggression, and even to be less dependent on the US military assistance. The very existence of Chinese nuclear weapons “raised serious concerns about the island’s prospects for continued autonomy” among the Taiwanese leadership.¹³⁹ The way the Pentagon detailed it in the 1980s, “... Many officials at high level of Taiwan continue to believe that a nuclear capability will provide [Taiwan] with an independent deterrent in the event security arrangements with the United States are unsatisfactory.”¹⁴⁰

At first, the Taiwanese government decided to embark on a civilian atomic programme, which for some reason was “located next to a secret military facility”, thus drawing foreign attention to it. However, it did not happen overnight, for “the authoritarian nature of Taiwan’s Guomintang regime and the lack of independent media sources facilitated the clandestine nature of its weapons program, giving the state several years work on its program before raising outside attention.”¹⁴¹ Even these political circumstances and efforts couldn't hide the evidence. As Bunn wrote, “from IAEA and U.S. inspections in the 1970s that strongly suggested that Taiwan was planning to divert material from its safeguarded facilities to its weapons program.”¹⁴² The same author added that required “reprocessing technology” was sold “by a French firm and a Norwegian expert”, and the South Korean government was buying necessary details “from the United States, Germany, and others.”

However, due to the American desire to normalize relationship with China and avoid nuclear proliferation per se, continuous and unrelenting pressure, both political, technological, diplomat-

¹³⁹ Hersman, R. K., & Peters, R. (2006). Nuclear u-turns: Learning from South Korean and Taiwanese rollback. *Nonproliferation Review*, 13(3), 543.

¹⁴⁰ Albright, D., & Gay, C. (1998). Taiwan: Nuclear nightmare averted. *Bulletin of the Atomic Scientists*, 54(1), 54.

¹⁴¹ Hersman, R. K., & Peters, R. (2006). Nuclear u-turns: Learning from South Korean and Taiwanese rollback. *Nonproliferation Review*, 13(3), 543.

¹⁴² Bunn, M. (2001). Civilian nuclear energy and nuclear weapons programs: The record. *Cambridge, MA: Belfer Center for Science and International Affairs*, 5.

ic, and military from 1973 to 1978, forced Taiwan not only to cease and desist from acquiring nuclear plants, but also to abandon the programme altogether. Again, as in the South Korean case, the US sanctions were never actually implemented: “cost-benefit calculations” and the “potential to inflict heavy damage” “entered regime calculations on the desirability of nuclear restraint.”¹⁴³ Taiwan, like South Korea, was an American ally and the United States was its greatest trade partner, with 34.3% of its external trade conducted with the US. The mere threat of inflicting cost-devastating sanctions was enough to dissuade the Taiwan leaders from taking further actions.¹⁴⁴ Kroenig made a correct observation (or a rule) that generally, when it comes to the subordinate relationships between a Great Power and its lesser partners, then “superpower-dependent states refrain from participation in sensitive nuclear transactions when they are confronted with superpower pressure.”¹⁴⁵

The third case was the Libyan episode. Zoubir recounted that before Colonel Muammar Gaddafi overthrew a 79-year-old King Idris I, Libya enjoyed close military and financial links with the United States: America had a Wheelus Air Base located in that country; the US government provided various assistance to the kingdom; and American oil companies had vast presence there, making “considerable profits”¹⁴⁶. However, shortly after the coup d’etat took place, Gaddafi expelled the Americans to assert his newly-acquired power and entrench his nationalist dominance in the country. After that, for many years, Libya was a large sponsor of terrorism

¹⁴³ Jacob, N. (2013). *Understanding Nuclear Restraint: What Role Do Sanctions Play? A Study of Iraq, Taiwan, Libya, and Iran*, 251.

¹⁴⁴ Jacob, N. (2013). *Understanding Nuclear Restraint: What Role Do Sanctions Play? A Study of Iraq, Taiwan, Libya, and Iran*, 249.

¹⁴⁵ Kroenig, M. (2010). *Exporting the bomb: technology transfer and the spread of nuclear weapons*. Cornell University Press, 175.

¹⁴⁶ Zoubir, Y. H. (2006). The United States and Libya: from confrontation to normalization. *Middle East Policy*, 13(2), 48.

worldwide, promoting “global radicalism” and “regional rejectionism.”¹⁴⁷ Madeleine Albright and other high-ranking American officials perceived it “as the world's strongest supporter of terrorism” in the 1980s.¹⁴⁸ The country supported many terrorist organizations, including the Provisional IRA, with money and weapons.¹⁴⁹ Its WMD research wasn't limited to nuclear weapons; in fact, the rogue state “appeared to switch its emphasis from nuclear weapons to chemical weapons in the late 1980s.”¹⁵⁰ Consequently, the United States and its allies pursued several goals: “regime change”, antiterrorism, compensation for Pan Am 103 victims, and renunciation of WMD.¹⁵¹

As explained by Jentleson, the American and international sanctions included several actions that varied over time: restrictions on arms sales; an 1982 embargo on crude oil imports; a 1985 ban on refined petroleum products; UN resolution no. 883, passed in 1993; and the 1996 Iran and Libya Sanctions Act (sanctioning European countries that violated American restrictions on conducting business with Libya).¹⁵² As a whole, the US and its allies “had invoked numerous tools in an effort to change Libya’s threatening behavior - military strikes, unilateral and multilateral economic sanctions, criminal prosecutions, United Nations demands, and direct diplomacy.”¹⁵³ The international pressure via the UN also mounted: Schwartz outlined that starting in 1992, “the Security Council called on the government to provide a “full and effective re-

¹⁴⁷ Jentleson, B. W., & Whytock, C. A. (2006). Who “won” Libya? The force-diplomacy debate and its implications for theory and policy, 47.

¹⁴⁸ Schwartz, J. B. (2007). Dealing with a "Rogue State": The Libya Precedent. *American Journal of International Law*, 553.

¹⁴⁹ Thatcher, M. (1986, April 16). House of Commons Speech. Retrieved November 11, 2015, from <http://www.margaretthatcher.org/document/107271>.

¹⁵⁰ Jo, D. J., & Gartzke, E. (2007). Determinants of nuclear weapons proliferation. *Journal of Conflict Resolution*, 51(1), 169.

¹⁵¹ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (2007). *Economic sanctions reconsidered*, 3d ed. Peterson Institute, 72.

¹⁵² Jentleson, B. W., & Whytock, C. A. (2006). Who “won” Libya? The force-diplomacy debate and its implications for theory and policy, 58.

¹⁵³ Schwartz, J. B. (2007). Dealing with a "Rogue State": The Libya Precedent. *American Journal of International Law*, 554.

sponse” to the trilateral demands and insisted that Libya renounce -and prove its dissociation from - terrorism.” When the Council was not satisfied by the Libyan compliance (or the lack of it), it, continued Schwartz, resorted to the imposition of the harsher sanctions. “An embargo on aviation relations and arms transfers was followed by a freeze on Libyan assets”, and as the international community tightened its grip on Libya, the record of that country's “involvement in terrorism dropped off noticeably.”

As a result, Libya’s GDP fell 30% in 1993 (compared to the year before), growth averaged less than 1% annually from 1992 to 1998. Unemployment, continued Jetleson, reached 30%, inflation was 50% in 1994, producing economic discontent which translated into growing political turmoil, directly endangering Gaddafi’s rule.¹⁵⁴ Combined with G.W. Bush’s invasion of Iraq and mounting American belligerent pressure, on December 19, 2003, Gaddafi agreed to full WMD disarmament, to open Libya to the International Atomic Energy Agency, to accept international inspections, to eliminate all chemical weapon stocks and munitions, and to allow inspections and monitoring.^{155 156}

More specifically, as explained by Squassoni, Libya agreed to verification of its WMD-related obligations and activities; it accepted the task of eliminating ballistic missiles with a 300 km range or greater and a payload of 500 kilograms. It agreed to eliminate all chemical weapons, stocks and munitions, and accede to the Chemical Weapons Convention (CWC); and to allow immediate inspections and monitoring to verify these actions. December 2003 marked Libya’s

¹⁵⁴ Jetleson, B. W., & Whytock, C. A. (2006). Who “won” Libya? The force-diplomacy debate and its implications for theory and policy, 54.

¹⁵⁵ Geleskul, E. (2009). The History of the Libyan Nuclear Program: The Reasons for Failure. *Security Index: A Russian Journal on International Security*, 15(2), 139.

¹⁵⁶ Murphy, S. D. (2004). US/UK Negotiations with Libya Regarding Nonproliferation. *The American Journal of International Law*, 98(1), 195.

agreement to abide by the Missile Technology Control Regime (MTCR) guidelines, and the country signed the Comprehensive Test Ban Treaty.¹⁵⁷

It is also been asserted that Gaddafi's policy shift and willingness to give up his WMDs was indeed "largely a result of the overthrow of Saddam Hussein."¹⁵⁸

Consequently, Libyan compliance with the international community allowed sanctions to be lifted. After President G. W. Bush made three determinations verifying Libya's compliance with the sanctions' regime, he allowed the U.S. Export Import Bank to operate with Libya and support American exports to that country; and he "rescinded the national emergency with respect to Libya and lifted trade, travel, and commercial restrictions", including restrictions on direct flights between the republic and the United States.¹⁵⁹ Perhaps the most important step towards the normalization of the bilateral relations was the removal of Libya from the list of terrorism-supporting nations on June 29, 2006.¹⁶⁰

The fourth case, Saddam Hussein's Iraq, demonstrated why economic sanctions worked, in a slightly more specific way. According to Jacob, Iraq first experienced sanctions in December 1979, when President Carter put Iraq on the initial list of State Sponsors of Terrorism due to its support for the PLO. That automatically resulted in US foreign aid reduction, cancellation of the export of military and dual-use items, and a reduction in American support for international loans. Sanctions included blocking "export licenses to Iraq's principal suppliers of nuclear

¹⁵⁷ Squassoni, S. (2006, September). Disarming libya: Weapons of mass destruction. LIBRARY OF CONGRESS WASHINGTON DC CONGRESSIONAL RESEARCH SERVICE.

¹⁵⁸ Leverett, F. (2004, January 23). Why Libya Gave Up on the Bomb. Retrieved January 6, 2016, from <http://www.brookings.edu/research/opinions/2004/01/23middleeast-leverett>

¹⁵⁹ Squassoni, S. (2006, September). Disarming libya: Weapons of mass destruction. LIBRARY OF CONGRESS WASHINGTON DC CONGRESSIONAL RESEARCH SERVICE, 6.

¹⁶⁰ Squassoni, S. (2006, September). Disarming libya: Weapons of mass destruction. LIBRARY OF CONGRESS WASHINGTON DC CONGRESSIONAL RESEARCH SERVICE, 7.

technology at the time - France and Italy”.¹⁶¹ The next step in sanctions regime development, continued Jacob, took place in the 1990s, when Iraq “faced a comprehensive, universal sanctions regime unique in the history of sanctions”. After the invasion of Kuwait happened, the US acted unilaterally, cutting all economic and financial ties with Iraq and establishing a naval blockade.¹⁶²¹⁶³ These measures were further reinforced by UN resolution 660 and 661 (a complete boycott of all Iraqi and Kuwaiti goods and services, an embargo on commodity sales to these countries as well as prohibition of all financial transactions) - lauded as “the most striking example of Soviet-American cooperation” and as “the first time in the UN's 45-year history”.¹⁶⁴

After the war was brought to an end, and the sanctions regime still allowed the Iraqi economy to recover during the following decade, the Bush administration “launched a major diplomatic initiative that succeeded in reforming sanctions and restoring international resolve behind a more focused embargo on weapons and weapons-related imports” in 2001.¹⁶⁵

As Cortright and Lopez wrote, sanctions “compelled Iraq to accept inspections and monitoring and won concessions from Baghdad on political issues such as the border dispute with Kuwait”. They also “drastically reduced the revenue available to Saddam, prevented the rebuilding of Iraqi defenses after the Persian Gulf War, and blocked the import of vital materials and technologies for producing WMD.”¹⁶⁶ Haufbauer et al also noticed that sanctions “deprived Saddam Hussein of resources necessary to rebuild its WMD arsenal, including nuclear weap-

¹⁶¹ Jacob, N. (2013). *Understanding Nuclear Restraint: What Role Do Sanctions Play? A Study of Iraq, Taiwan, Libya, and Iran*, 130.

¹⁶² Alnasrawi, A. (2001). Iraq: economic sanctions and consequences, 1990–2000. *Third World Quarterly*, 22(2), 205-218.

¹⁶³ Robertson Jr, H. B. (1991). Interdiction of Iraqi maritime commerce in the 1990–1991 Persian gulf conflict.

¹⁶⁴ Freudenschuss, H. (1994). Between Unilateralism and Collective Security: Authorizations of the Use of Force by the UN Security Council. *Eur. J. Int'l L.*, 5, 493.

¹⁶⁵ Lopez, G. A., & Cortright, D. (2004). Containing Iraq: sanctions worked. *FOREIGN AFFAIRS-NEW YORK-*, 83, 90-103.

¹⁶⁶ Lopez, G. A., & Cortright, D. (2004). Containing Iraq: sanctions worked. *FOREIGN AFFAIRS-NEW YORK-*, 83, 90-103.

ons.”¹⁶⁷ By the fall of 2002, the sanctions regime “had constructed the core elements of an effective long-term containment system”, which was later abandoned by the Bush Administration which was determined to resort to the already-known military solution.¹⁶⁸

In the last case, putting the 2003 Invasion of Iraq aside, it is clearly seen that economic sanctions were extremely effective as long as there was unity and global cooperation to uphold them. It was an unusual example as there have been no other cases in recent history that caused such widespread condemnation, translated first into economic and later into military pressure.

1.4. Conclusion to the second chapter.

The results of the historical research performed in this chapter allow me to draw a few definitive verdicts regarding the presumed (or desired) outcomes of economic sanctions.

First of all, although the goal of regime change has been seen as highly desirable, it has always been well nigh impossible to achieve without gargantuan military, political and international efforts. Above all, it has abysmal rates of success: as has been illustrated, only 5 out of 115 cases can be considered as successful examples. The reason why some consider it to be the most desirable approach is because it eliminates the root of the problem that caused intervention in the first place.¹⁶⁹

Secondly, the research has shown that the goal of utilizing purely economic instruments to force an aggressor into military submission or to revoke hostile military actions has a very little chance of success: 34%. The reason why it is so low is because the very nature of economic coercion does not allow it to influence military actions of a hostile country once an aggressive

¹⁶⁷ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (2007). *Economic sanctions reconsidered*, 3d ed. Peterson Institute, 72.

¹⁶⁸ Lopez, G. A., & Cortright, D. (2004). Containing Iraq: sanctions worked. *FOREIGN AFFAIRS-NEW YORK-*, 83, 90-103.

¹⁶⁹ Werner, S. (1996). Absolute and limited war: The possibility of foreign-imposed regime change. *International Interactions*, 22(1), 67-88.

move has been made. It is easier to use the threat of economic sanctions to deter a hostile action, but once that action is taken, there is not much sanctions can do. That said, if a sanctioning country has an absolute, overwhelming power over a sanctioned country, the success rates are higher - and they are much higher if combined with a military action.

Thirdly, the study of the cases of non-proliferation of WMD has demonstrated that allied democracies are far more easier to influence, and prolonged and exhausting sanctions (combined with a shadow of a military threat or actually taking a military action) can persuade a hostile rogue nation to halt its WMD programme. Yet, sanctions were unsuccessful in the cases of India, Pakistan, North Korea, and Iran, and have not prevented these countries from conducting their nuclear research: they certainly slowed down their progress, but the military and political capabilities of these nations effectively nullified the sanctions' coercive nature.^{170 171}

Chapter III.

Russia's aggression against Ukraine: the Western response.

This chapter and that which follows focus on the central theme of this thesis: Western sanctions against Russia and the various impacts that they have had. Unlike the previous two parts that have been written with a deeply historical narrative in mind and employed case studies of the past, this chapter will reflect on very recent events, and it will make use of recently issued documents.

This chapter will explore three major points of interest: first, the cultural and political background as well as the contemporary narrative that resulted in the conflict between Russia

¹⁷⁰ Barnds, W. J. (1972). *India, Pakistan and the Great Powers. New Delhi.*

¹⁷¹ Hufbauer, G. C., Schott, J. J., & Elliott, K. A. (2007). *Economic sanctions reconsidered*, 3d ed. Peterson Institute, 72.

and Ukraine; second, why Russia decided to violate Ukraine’s territorial integrity (openly and subtly); and third, “the political dynamics” among the sanctioning nations.

In line with this, the first part of the chapter will describe the “political context” that explains why Ukraine’s Euromaidan took place and why a “revanchist” Russia viewed it with such great hostility.^{172 173} Russian, Ukrainian and Western points of view on Euromaidan and its aftermath will be provided.¹⁷⁴

The second part of the chapter, in addition to analyzing Russia’s motivations, will describe the retaliatory actions of Western governments.¹⁷⁵ However, since the G-7 countries do not form a monolithic alliance and all these nations have their own considerations and reflections that vary from one country to another, I will portray what common interests motivated the sanctioning nations to act together, and which factors served the opposite purpose.

Next, the third part of the chapter will show how the resolve and willingness of Western states to resist the Russian aggression in Ukraine has varied over the time (notably, since January 2014).

Finally, the chapter will finish with a brief summary and assessment of the material listed above.

1.1. The roots of the conflict between Russia and Ukraine.

It can be said that the root of tensions between Russia and Ukraine lie in history and politics. The tensions date back to the early and mid-2000s, when President-elect Victor Yushchenko and Prime Minister Yulia Tymoshenko (who both came to power as a result of a peaceful 2004-

¹⁷² Shevtsova, L. (2015). Forward to the Past in Russia. *Journal of Democracy*, 26(2), 22-36.

¹⁷³ McNabb, D. E. (2015). Vladimir Putin and Russia’s Imperial Revival. CRC Press.

¹⁷⁴ Rywkin, M. (2014). Ukraine: Between Russia and the West. *American Foreign Policy Interests*, 36(2), 119-126.

¹⁷⁵ Tsygankov, A. (2015). Vladimir Putin's last stand: the sources of Russia's Ukraine policy. *Post-Soviet Affairs*, 1-25.

2005 “Orange Revolution”) sought to move the country closer to the West and the European Union, both politically and culturally, by proclaiming “the end of multi-vectorism”.¹⁷⁶

To a large extent, a surge in Ukrainian nationalism contributed to this phenomenon - Kuzio cites Arel as saying that “the road to democracy in Ukraine had become successful due to the strength of its nationalism” and its strong civil society reinforced by national identity.¹⁷⁷ Perhaps one of the reasons why Ukraine, Belorussia and the USSR’s other former East European vassals gained that national identity is because of the very nature of the Soviet Union and its “institutional legacies”¹⁷⁸. As Martin put it, the USSR was “the first multiethnic “affirmative-action empire” with the Bolsheviks (and later Communists) committing “the regime by 1923 to developing non-Russian languages, elites, territorial units, and cultural forms - all at the expense of Russian nationhood and culture.”^{179 180}

The search for Ukraine's more clearly defined national identity was also part of a larger geo-political ideological trend of the post-communist era, with former East European Communist powers striving to achieve closer link with the European countries. As Kuzio explained, Ukraine and Georgia put Euro-Atlantic integration among their first foreign policy goals. These countries “downplayed CIS integration and led the GUAM (Georgia, Ukraine, Azerbaijan, Moldova) pro-Western regional group.”¹⁸¹ As Cordell et al have explained, after the downfall of Communism,

¹⁷⁶ Kuzio, T. Ukraine Moves a Step Closer to Europe.”. *Eurasia Daily Monitor*, 2.

¹⁷⁷ Kuzio, T. (2008). Comparative perspectives on Communist successor parties in Central-Eastern Europe and Eurasia. *Communist and Post-Communist Studies*, 41(4), 405.

¹⁷⁸ Cordell, K., Agarin, T., & Osipov, A. (2013). Institutional Legacies of Communism: Change and Continuities in Minority Protection. Routledge, 8.

¹⁷⁹ Martin, T. D. (2001). The affirmative action empire: nations and nationalism in the Soviet Union, 1923-1939. Cornell University Press.

¹⁸⁰ Legvold, R. (2009, January 28). The Affirmative Action Empire: Nations and Nationalism in the Soviet Union, 1923-1939. Retrieved January 10, 2016, from <https://www.foreignaffairs.com/reviews/capsule-review/2002-05-01/affirmative-action-empire-nations-and-nationalism-soviet-union>

¹⁸¹ Kuzio, T. (2008). Comparative perspectives on Communist successor parties in Central-Eastern Europe and Eurasia. *Communist and Post-Communist Studies*, 41(4), 403.

“the return to Europe became the leitmotif for a range of political actors and movements all of whom were united in proclaiming that ‘alien quasi-Asiatic’ despotism has been overthrown and that the task of a new political class was to heal a rupture ... that had been imposed upon a culturally and politically united continent.”¹⁸² This point of view is supported by many researchers who point to the cultural roots of Ukrainian and “hegemonic Russian” geopolitical disagreements.¹⁸³

Moving closer to the direct rupture in the bilateral relationships between the two countries, it is essential to note the events of November 2013 when the “pro-Russian” President Viktor Yanukovich announced his intention not to sign a planned Association Agreement with the European Union due to Russia’s economic pressure as well as its promises to provide access to new gas discounts and \$15 billion in financial help.¹⁸⁴ ¹⁸⁵ Shortly after that announcement the Ukrainian government asked the EU representatives on November 27 to contribute to the creation of a trilateral cooperation body (encompassing Ukraine, Russia and the EU), adding that the country needed €160 billion in foreign aid for economic “transition”, support and adaptation once the Association Agreement was signed.¹⁸⁶ However, during the Vilnius summit between the EU and Ukraine on November 28 and 29 the European delegation did not persuade Yanukovich to sign the agreement.¹⁸⁷ As a result, the next round of negotiations was expected to take place in

¹⁸² Cordell, K., Agarin, T., & Osipov, A. (2013). *Institutional Legacies of Communism: Change and Continuities in Minority Protection*. Routledge. 9.

¹⁸³ Brudny, Y. M., & Finkel, E. (2011). Why Ukraine Is Not Russia Hegemonic National Identity and Democracy in Russia and Ukraine. *East European Politics & Societies*, 25(4), 813-833.

¹⁸⁴ Bojcun, M. (2015). Origins of the Ukrainian Crisis. *Critique*, 43(3-4), 395-419.

¹⁸⁵ Putin obeshayet Ukraine skidky na gas i 15 mlrd dollarov - BBC Russkaya slujba. (2013, December 17). Retrieved January 10, 2016, from

http://www.bbc.com/russian/russia/2013/12/131217_yanukovich_russia_negotiations#share-tools

¹⁸⁶ Lenta.ru (2013, November 29). Yanukovich perechislil uslovia assotsiasii s Evrosoyom - Yanukovich listed EU association agreement conditions. Retrieved January 10, 2016, from <http://lenta.ru/news/2013/11/29/yanukovich/>

¹⁸⁷ RBK - Ukraina. (2013, November 11). 9 noyabrya Yanukovich "kompleksno obsudil" s Putinim trgovoe-ekonomicheskoe sotrudnichestvo - Yanukovich had a "thorough discussion" with Putin regarding trade and econom-

Brussels on February-March the following year, with the EU presenting Ukraine with a list of demands including the resolution of the issue involving Yulia Timoshenko's political detention.¹⁸⁸

The news that Ukraine had decided to postpone signing its EU Association agreement sparked the largest popular protests in Kiev (and the rest of Ukraine) since the previous Orange Revolution.¹⁸⁹ As chronicled by Ronzhyn, these protest activities were not too chaotic until November 30 when the riot police "Berkut" dispersed the protest camp with an overwhelming amount of brutality. These actions, in turn, resulted in well over 300 thousand people occupying the Kiev Independence Square and central streets the next morning, therefore openly violating the ban on protests previously enacted by the Ukrainian government.¹⁹⁰

A period from November 30 to February 21 marked the most violent escalation of the conflict between the government forces and the democratic protesters in the Ukrainian capital and many other regions of the country. For considerations of space, I will limit my description to what I believe are the most central elements of Euromaidan: mass popular riots; seizures of government buildings; the creation of a parallel government authority including medical services; unprecedented popular mobilization and the growth of a volunteer movement; an East-West cultural division within the country itself; and regular and intensive brutal clashes between the security forces and the protesters, resulting in the deaths of more of a hundred people, with more than

ic cooperation between Russia and Ukraine on November 9. Retrieved January 10, 2016, from <https://www.rbc.ua/rus/news/yanukovich-9-noyabrya-vstrechalsya-s-putinym-na-voennoy-baze-v-11112013112700>

¹⁸⁸ Yankovich provalil Vilnusskiy Summit. Associatsia ne podpisana - Yanukovich failed the Vilnius summit. Association agreement hasn't been signed. (2013, November 29). Retrieved January 22, 2016, from <http://rus.newsru.ua/ukraine/29nov2013/nepodpisala.html>

¹⁸⁹ Chupyra, O. (2015). Civic Protest. Version 2.0: Maidan 2013–2014 as a Catalyst of Russian-Speaking Ukrainian Patriotism. *Russian Politics & Law*, 53(3), 86-96.

¹⁹⁰ Ronzhyn, A. (2014). The use of Facebook and Twitter During the 2013-2014 Protests in Ukraine. In *ECISM2014- Proceedings of the European Conference on Social Media: ECISM 2014* (p. 442). Academic Conferences Limited.

750 persons wounded.^{191 192 193 194} Overall, that struggle and experience “helped to build bonds of trust among the people there and also helped to bring party leaders closer to the people than ever before.”¹⁹⁵

February 21, 2014 marked a turning point in Euromaidan: facing unprecedented civil resistance, President Yankovich embarked on a “sudden flight into exile” after signing the “Agreement on settlement of political crisis in Ukraine” with the representatives of the opposition that involved political and police concessions.^{196 197} The agreement involved the return to the 2004 Constitution, a broad constitutional reform and a new presidential election taking place no later than December 2014.

Kudelia explains that the Ukrainian President’s escape to Russia “became a pretext for Russian intervention in Ukrainian sovereignty”.¹⁹⁸ Ambrosio claims that the reasons for Russia’s intervention were: first, opposition in principle to democratic reforms and changes in Russia’s “near abroad” because such changes threaten the survival of its allegedly “autocratic” regime; and secondly, fear of possible (and inevitable) NATO expansion and Ukrainian membership in that bloc.^{199 200} Cultural rejection of a former vassal’s independence and geo-political sovereignty could have also played a certain role in it - a “rejection of a de facto veto over Kiev's foreign

¹⁹¹ Scheide, C., & Schmid, U. The EuroMaidan in Ukraine November 2013 till February 2014.

¹⁹² Shihab Bilderling, S. (2014). Chronology January–September 2014. *Caucasus Survey*, 2(1-2), 142-160.

¹⁹³ Stepurko, T., Vitiuk, V., Kvit, A., & Kovtonyuk, P. (2014). Medical Care on the Euromaidan: Who have saved the lives of the protesters?. *Social, Health, and Communication Studies Journal*, 1(1), 80-104.

¹⁹⁴ Katchanovski, I. (2014). The “Snipers’ Massacre” on the Maidan in Ukraine.

¹⁹⁵ Diuk, N. (2014). Finding Ukraine. *Journal of Democracy*, 25(3), 88.

¹⁹⁶ Kudelia, S. (2014). The house that Yanukovich built. *Journal of Democracy*, 25(3), 19.

¹⁹⁷ Charap, S. (2014). Ukraine: Seeking an elusive new normal. *Survival*, 56(3), 85-94.

¹⁹⁸ Kudelia, S. (2014). The house that Yanukovich built. *Journal of Democracy*, 25(3), 19.

¹⁹⁹ Ambrosio, T. (2009). *Authoritarian backlash: Russian resistance to democratization in the former Soviet Union*. Ashgate Publishing, Ltd., 3.

²⁰⁰ Larrabee, F. S. (2010). Russia, Ukraine, and Central Europe: the return of geopolitics. *Journal of international affairs*, 63(2), 33.

policy” was seen as a major setback in Russia-backed Eurasian integration.^{201 202} It is also essential to add that Russian motivations for intervention in Crimea and Donbass vary in both instances - this subject will be described in greater details in the next chapter.

Consequently, the disputed legitimacy of Yanukovich’s removal by people whom Moscow regarded as members of a “junta” gave Moscow a justification for an intervention²⁰³. Russia seized control of Crimea and supported the “entrenchment of separatist enclaves in Donetsk and Luhansk provinces” as a part of a broader “Novorossiya project” - all while denying any unlawful activities or military interventions.²⁰⁴ The next section will demonstrate the way the Western world reacted to these actions and what political impact their response has had.

1.2. The Western response and the nature of the imposed sanctions.

As outlined above, political tensions between the new Ukrainian government and the government of Russia have, in the words of Veebel, “culminated in the violation of the territorial integrity of Ukraine and the annexation of Crimea in March 2014” as well as in the “violent conflicts in the eastern part of Ukraine forced by pro-Russian separatist forces from 2014 on.”²⁰⁵ These actions made several Western governments, namely the EU countries, the USA and Canada, im-

²⁰¹ Johnson, M. R. Russian Nationalism and Eurasianism: The Ideology of Russian Regional Power and the Rejection of Western Values.

²⁰² Götz, E. (2015). It is geopolitics, stupid: explaining Russia's Ukraine policy. *Global Affairs*, 1(1), 3-10.

²⁰³ Cadier, D. (2014). Eastern Partnership vs Eurasian Union? The EU–Russia Competition in the Shared Neighbourhood and the Ukraine Crisis. *Global Policy*, 5(s1), 76-85.

²⁰⁴ Allison, R. (2014). Russian ‘deniable’ intervention in Ukraine: how and why Russia broke the rules. *International Affairs*, 90(6), 1255-1297.

²⁰⁵ Veebel, V., & Markus, R. (2015). Lessons From The EU-Russia Sanctions 2014-2015. *Baltic Journal of Law & Politics*, 8(1), 165-194.

pose targeted, as well as broader economic sanctions against certain Russian and Ukrainian individuals and businesses.²⁰⁶

As Wang observes, from March 2014 to February 2015, the United States, Europe, Australia, New Zealand, Canada and Japan have imposed six rounds of sanctions against Russia. The aforementioned author noted that first three rounds of sanctions included targeting specific Russian individuals and institutions via freezing their assets, with the representatives of core Russian and Ukrainian leadership officials, businessmen, judges and lawyers blacklisted separately: “the assets of these personnel in the sanction-enforcing countries were frozen, and their access to these countries was forbidden.”²⁰⁷

Wallberg added that the European Union enacted these targeted sanctions measures with a clear rationale: “political and economic measures were to escalate unless Russia reversed its policy towards Ukraine”.²⁰⁸ In other words, their purpose was to “make Russia’s behaviour in Ukraine expensive by imposing costs on the Russian economy and thereby persuading Russia to change its behaviour.”²⁰⁹ Interestingly, at the same time the EU openly explained to Russia the way these punitive measures could be ended, expressing that despite sending “powerful signals” to the Russian leadership”, the EU “remains ready to reverse its decisions and reengage with Russia when it starts contributing actively and without ambiguities to finding a solution to the Ukrainian crisis.”²¹⁰ What is central here is that perhaps there hardly were any chances for Rus-

²⁰⁶ Tanning, L., & Tanning, T. (2015). Analysis the impact of international sanctions on Russian economy. *IJAR*, *1*(9), 287.

²⁰⁷ Wang, W. (2015). Impact of Western Sanctions on Russia in the Ukraine Crisis. *Journal of Politics and Law*, *8*(2), 2.

²⁰⁸ Wallberg, S. (2015). The price of sanctions-how far are the Western powers willing to go?, 7.

²⁰⁹ Oxenstierna, S., & Olsson, P. (2015). The economic sanctions against Russia, 10.

²¹⁰ Barroso, M., & Van Rompuy, H. (2014, July 29). European Commission - PRESS RELEASES - Press release - Statement by President Barroso and President Van Rompuy in the name of the European Union on the agreed additional restrictive measures against Russia. Retrieved January 15, 2016, from http://europa.eu/rapid/press-release STATEMENT-14-244_en.htm

sia to “reengage” with the EU - i.e. withdraw troops from Crimea and effectively release it back to Ukraine - due to Russia’s non-negotiable “wider geo-strategic interests” in Crimea, its moral, historical and political significance for the ruling regime as well as its willingness to absorb the punishment costs in order to keep the peninsula.^{211 212} Above all, Putin regarded Ukraine’s definitive shift toward the Western model development “as a challenge to Russia’s power and control in its traditional sphere of influence”. Therefore he was ready to challenge this shift with little consideration for costs.²¹³

Delving into greater description, what exactly did these three initial rounds of sanctions encompass? According to the Council of the European Union and Ivan, who summarized the document, the leaders of the European Union have presented a three-stage sanctions process.²¹⁴ The first step was comprised of the termination of several ongoing and planned bilateral talks between Russia and the EU. The second step took the form of an imposition of travel bans and asset freezes on a significant number of individuals implicated or directly responsible for either the annexation of Crimea or the ongoing violence in the east of Ukraine. The third step shifted from the targeting of individuals to a broad range of economic sanctions that affected the state’s economy.²¹⁵

Wallberg clarified that the first round of punitive measures by the EU, US and Canada came into place on 17 March 2014, a day after the Crimea referendum - it placed 21 government

²¹¹ Nathan, A. J. (2003). Authoritarian resilience. *Journal of Democracy*, 14(1), 6-17.

²¹² Bebler, A. (2015). On geopolitical aspects of the conflict over Crimea, 2.

²¹³ Marten, K. (2015). Putin's Choices: Explaining Russian Foreign Policy and Intervention in Ukraine. *The Washington Quarterly*, 38(2), 189.

²¹⁴ THE COUNCIL OF THE EUROPEAN UNION. (2014, June 24). COUNCIL REGULATION (EU) No 692/2014 of 23 June 2014 concerning restrictive measures in response to the illegal annexation of Crimea and Sevastopol. Retrieved January 10, 2016, from <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014R0692-20141220&qid=1444987014323&from=EN>

²¹⁵ Ivan, P. (2014). EU's sanctions against Russia-The need for clear goals (Comments on the 20-21 March Council). EPC Commentary, 21 March 2014, 1.

and private individuals on the sanction list (targeted with an assets freeze and a travel ban).²¹⁶²¹⁷ On March 21st, further elaborated Wallberg, “another 12 individuals were added to the sanction list (individuals whom were already in the list of subjects for US sanctions).” Finally, concluded the author, March 29th marked the day when the EU added another 15 individuals to the list: 13 Russian politicians and two prominent Ukrainian separatists. The Australian government imposed financial and travel restrictions on March 19th, and the Japanese government also announced that it was joining the combined effort of other G-7 nations.²¹⁸

The second sanctions round, continued Wallberg, took place a month later in April 2014: on April 29th the EU added another 15 individuals to the travel ban and asset freeze sanctions lists, bringing the total number of targets to 48, and “on repeated occasions due to the rising tensions between Russia and Ukraine the EU decided to expand the sanctions further (April 28th, May 12th, June 23rd, July 11th, 18th, 25th).”²¹⁹ The United States imposed restrictions on seventeen major Russian companies (linked to Vladimir Putin) and seven high-ranking Russian officials, including the the president and chairman of the Management Board for Russia’s state oil company Rosneft and Putin’s long-term closest aide and ally Igor Sechin.²²⁰²²¹ As Reuters and Associated Press described it, “The new penalties were a response to what U.S. officials say is Russia's failure to live up to commitments it agreed to under an international accord aimed at

²¹⁶ Simonen, K. (2015). Final Comment: Legal Review of New EU Sanctions Against Russia in Light of Recent Jurisprudence of the European Courts. In *Economic Sanctions under International Law* (pp. 237-242). TMC Asser Press.

²¹⁷ COUNCIL REGULATION (EU) No 269/2014. (2014, March 17). Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine. Retrieved January 12, 2016, from <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014R0269>

²¹⁸ Smith, B., & Harari, D. (2014). Ukraine, Crimea and Russia. *Research Paper*, 14, 16.

²¹⁹ Wallberg, S. (2015). The price of sanctions-how far are the Western powers willing to go?, 8.

²²⁰ Embassy, U. S. (2014). US Sanctions Russian Officials, Entities over Ukraine Actions.

²²¹ Kryshantovskaya, O. G., & White, S. (2005). Inside the Putin court: A research note. *Europe-Asia Studies*, 57(7), 1065-1075.

ending the dispute.”²²² This time the EU particularly stressed that its sanctions were “not punitive, but designed to bring about a change in policy or activity by the target country, entities or individuals”, with a great emphasis put on minimizing the burden on the Russia’s civil population.^{223 224}

Despite these efforts to coerce Russia’s leadership to change its course via personal sanctions, such an approach demonstrated its “practical ineffectiveness.”²²⁵ Therefore, a different approach was needed - and the West opted for broader economic sanctions that would be applied to certain sections of Russia’s economy. Due to Russia’s backing of east Ukrainian separatists and continuing engagement with the Ukrainian military, the US and EU “jointly expanded the sanctions, targeting vital sectors of the Russian economy including finance, energy, and defence.”²²⁶ As noted by Veebel, the “scope” of these sanctions has been varied a few times in April, May, July, and September 2014.²²⁷

Wang explained, that on July 31 and September 5, 2014, the Member States comprising the Permanent Representatives Committee of the EU launched another two rounds of sanctions. They introduced restrictions on three sectors of Russian economy: energy, finance, and defence.²²⁸ They also limited Russian banks’ access to obtaining new credits in the US and Europe.

²²² U.S. levels new sanctions against Russian officials, companies - World. (2014, April 28). Retrieved January 15, 2016, from <http://www.haaretz.com/news/world/1.587764>

²²³ EU restrictive measures. (2014, April 29). Retrieved January 15, 2016, from http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/135804.pdf

²²⁴ Eckes, C. (2014). EU restrictive measures against natural and legal persons: from counterterrorist to third country sanctions. *Common Market Law Review*, 51(3), 869-905.

²²⁵ Salauat, S. (2015). Practical ineffectiveness of sanctions imposed on Russia: alternative solutions to achieve the desired political effect.

²²⁶ Manaeva Rice, N., Rice, D. P., & Hall, H. L. (2015). Ukraine At The Fulcrum: A Nuclear House Of Cards. *International Journal of Nuclear Security*, 1(1), 9.

²²⁷ Veebel, V., & Markus, R. (2015). Lessons From The EU-Russia Sanctions 2014-2015. *Baltic Journal of Law & Politics*, 8(1), 165.

²²⁸ In focus: EU restrictive measures in response to the crisis in Ukraine (26/06/2015). (2015, June 26). Retrieved January 12, 2016, from http://eeas.europa.eu/delegations/russia/press_corner/all_news/news/2015/20150219_en.htm

With regard to the energy sectors, both American and European companies were prohibited from cooperating with Russia's energy companies, and three major Russian state petroleum companies (Sibneft, Gazprom, Rosneft) were "prohibited from issuing financing products that have terms longer than 30 days."

In financial terms, detailed Wang, "the deadlines of bonds, stocks and other financial products from five Russian state-owned banks, i.e., the Bank of Moscow, VTB, the Russian Agricultural Bank, Gazprom and the Russian State-owned Development Bank, were shortened to 30 days." European companies were also prohibited to grant any loans to the aforementioned banks.

Finally, regarding the defence sector, Wang specified that parts of Russian military state businesses were barred from having an access to "financing, the transport of weapons and the transfer of sensitive technologies from the US and Europe." Also, the United States froze the assets of Russia's five defence technology companies operating in the US.²²⁹²³⁰ Moreover, the same report showed that on September 12, 2014, the United States introduced sanctions against Sberbank, Russia's largest bank; against Rostec - a major arms maker; and also against the Arctic, deepwater and shale exploration sectors of Russia's biggest oil companies.²³¹ In order to close the legal "loopholes", similar sanctions have also been imposed on the aforementioned companies' sister enterprises.²³²

In December 2014, the US President issued an executive order banning US exports and

²²⁹ Wang, W. (2015). Impact of Western Sanctions on Russia in the Ukraine Crisis. *Journal of Politics and Law*, 8(2), 2.

²³⁰ U.S. Department of the Treasury. (2014, January 9). Announcement of Expanded Treasury Sanctions within the Russian Financial Services, Energy and Defense or Related Materiel Sectors. Retrieved January 14, 2015, from <https://www.treasury.gov/press-center/press-releases/Pages/jl2629.aspx>

²³¹ Øverland, I., & Daniel, F. (2015). Financial Sanctions Impact Russian Oil, Equipment Export Ban's Effects Limited.

²³² Kobylanskiy, A. List of Russian companies sanctioned in relation to the Ukrainian conflict.

services in Crimea, while Europe banned investment projects in the peninsula.²³³ It ceased the EU's support for Russia's Black Sea oil and gas exploration and prohibited European companies from purchasing real estate or companies in Crimea, or engaging in tourist enterprise there.²³⁴ To draw a finishing line, in February 2015 the EU expanded its sanction list to add 151 Russian citizens and additional 37 Russian companies; Canada added 37 Russian citizens and 14 companies and "the validity of the EU sanctions against Russia has been extended in January and June 2015", which is still kept in place.^{235 236 237 238}

Having described the sanctions themselves, the next section will attempt to display political motivations, inner considerations and disagreements among the sanctioning Western countries.

1.3. The political dynamic behind Western sanctions.

Kremlinology expert Lilia Shevtsova wrote that the Western sanctions against Russia were nothing less than a "shock" for Putin and his "inner circle". Putin's past experience with the Western leaders played its part in that perception, explained the expert, for "Russia's leaders

²³³ The White House, & Office of the Press Secretary. (2014, December 19). Statement by the President on Executive Order "Blocking Property of Certain Persons and Prohibiting Certain Transactions with Respect to the Crimea Region of Ukraine" Retrieved January 14, 2015, from <https://www.whitehouse.gov/the-press-office/2014/12/19/statement-president-executive-order-blocking-property-certain-persons-an>

²³⁴ Croft, A., & Emmett, R. (2014, December 18). EU bans investment in Crimea, targets oil sector, cruises. Retrieved January 16, 2016, from <http://www.reuters.com/article/us-ukraine-crisis-eu-idUSKBN0JW18020141218>

²³⁵ New EU Sanctions Hit 2 Russian Deputy DMs. (2015, February 15). Retrieved January 16, 2016, from <http://www.defensenews.com/story/defense/international/europe/2015/02/16/official-new-eu-sanctions-hit-two-russian-deputy-defence-ministers/23527227/>

²³⁶ Archived - Expanded sanctions list. (2015, February 17). Retrieved January 16, 2016, from <http://news.gc.ca/web/article-en.do?nid=934699>

²³⁷ Veebel, V., & Markus, R. (2015). Lessons From The EU-Russia Sanctions 2014-2015. *Baltic Journal of Law & Politics*, 8(1), 167.

²³⁸ COUNCIL IMPLEMENTING REGULATION (EU) 2015/240 of 9 February 2015 implementing Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine. (2015). Official Journal of the European Union, 25(L40), 40/7-40/20. Retrieved January 25, 2015, from <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2015:040:FULL&from=EN>

blundered by expecting the West to accept this new reality”. Therefore, concluded Shevtsova, the “Western accommodators bear at least indirect responsibility for the Kremlin’s actions.”²³⁹

There are also some in the West who put the blame for the current crisis on NATO for its geopolitical expansion precisely because of the retaliatory actions that Russia resorted to.²⁴⁰ Some, like a former 1990s Republican Presidential candidate and long-time Nixon and Reagan national security advisor Patrick Buchanan, denounce NATO and the West itself, saying that the West has no business meddling in Russo-Ukrainian affairs because Ukraine is Russia’s sphere of influence.²⁴¹ John J. Mearsheimer, judging from the realist perspective, openly admitted that the West is to blame, writing that the “taproot of the trouble is NATO enlargement, the central element of a larger strategy to move Ukraine out of Russia’s orbit and integrate it into the West”, and that the Western world has no right to “move into Russian backyard and threaten its strategic interests.”²⁴² The current Republican front-runner and likely GOP Presidential nominee Donald Trump also channelled similar sentiments, expressing a desire to delegate America’s defence responsibilities to her European counterparts: “Ukraine is a problem, and we should help them, but let Germany and other countries over there that are directly affected - let them work it. We've got enough problems in this country. We have to rebuild our country,” said Mr. Trump.²⁴³

Given Trump’s soaring popularity among the general electorate and primary electors alike, I do not believe it would be unreasonable to say that a new American administration may lift the sanctions and opt for a “business,” realpolitik approach, due to the increasing populist

²³⁹ Shevtsova, L. (2015, December 14). Deadlock. Retrieved January 20, 2016, from <http://www.the-american-interest.com/2015/12/14/deadlock/>

²⁴⁰ Kamp, K. H. (1995). The folly of rapid NATO expansion. *Foreign Policy*, 116-129.

²⁴¹ Buchanan, P. (2015, April 17). A U.S.-Russia War Over Ukraine? Retrieved January 20, 2016, from <http://buchanan.org/blog/a-u-s-russia-war-over-ukraine-15894>

²⁴² Mearsheimer, J. J. (2014). Why the Ukraine Crisis Is the West’s Fault. *Foreign Affairs*, 93(5), 77.

²⁴³ Donald Trump Holds News Conference. (2015, August 14). Retrieved January 20, 2016, from <http://transcripts.cnn.com/TRANSCRIPTS/1508/14/se.01.html>

nature of American politics and “winds of change” in the US populace’s attitude towards a faraway conflict.²⁴⁴ Alex Ward, Associate Director of the Brent Scowcroft Center on International Security, observed that Trump “offers a counter to the conventional wisdom in Washington, which states that the United States must have a more activist and forceful approach to world affairs, either by being the out-front security guarantor, the “world’s policeman,” or the globe’s lead networker.”²⁴⁵ If America changes its geopolitical narrative, Europe might follow the same pattern.

Indeed, due to what Szabo described as their “reluctantly realist” interests in trading with Russia, Western sanctioning countries have not always all been firm, unshakeable, and resolute in their approach.²⁴⁶ It would appear to me that it is possible to distinguish between two principal categories of sanctioning powers, which differed in their attitudes towards the tool of economic sanctions against Russia.

The first group consists of the countries that are the driving force behind the current punitive policies against Russia. They are striving to reaffirm trans-Atlantic unity and determination in the face of Moscow's aggression, and are represented by the United States, Germany, the United Kingdom, France, Canada (during the Harper term), Poland, and Australia (during the Abbott term), with the last three countries largely acting in accordance with the EU and USA measures. The current US Administration and its most ardent ally NATO supporters adopted the sanctions regime on ideological and geo-political grounds to counter “Russian designs to reestab-

²⁴⁴ Schreckinger, B. (2016, January 19). How Donald Trump defeats Hillary Clinton. Retrieved January 20, 2016, from <http://www.politico.com/story/2016/01/how-donald-trump-defeats-hillary-clinton-217868>

²⁴⁵ Ward, A. (2015, October 27). Why Donald Trump Should Be Taken Seriously on Foreign Policy. Retrieved January 20, 2016, from <http://foreignpolicy.com/2015/10/27/donald-trump-is-right-about-foreign-policy/>

²⁴⁶ Szabo, S. F. (2014). Germany's Commercial Realism and the Russia Problem. *Survival*, 56(5), 117-128.

lish its hegemony on a regional scale.”²⁴⁷ President Obama stated that “violating the territorial integrity and sovereignty of other countries” should not be tolerated.²⁴⁸ Russia, according to the view of Obama, must stop supporting separatists and cease hostile activity in Ukraine because, - as US Secretary of State J. Kerry put it, "You just don't in the 21st century behave in 19th century fashion by invading another country on completely trumped up pre-text.”²⁴⁹ This attitude has not changed since sanctions were imposed on March 6, 2014.

The EU, where Germany, Britain and France play the most prominent role, has acted from the same standpoint, calling for Russia to withdraw its troops to restore “territorial integrity, sovereignty and independence of Ukraine.”²⁵⁰ At the same time, Germany, being a strong proponent of the sanctions regime and maintaining its allegiance to the international rule of law, has repeatedly expressed its desire to see the Minsk I and II agreements implemented in full force, for the current restrictions diminish its bilateral \$104 billion trade with Russia. German political leadership sees the sanctions regime as a necessary tool of exerting pressure on Russia, but this situation is viewed differently from the point of view of the German business sector. Due to its sheer size, German businesses’ interests and industrial needs reveal why Germany “is hesitant to step up pressure on Moscow over its adventures in Ukraine.”²⁵¹ Therefore, as described by Harress, Merkel time and again has found herself between a rock and a hard place - between her desire to coerce Russia to cease its intervention, from the political point of view, and her

²⁴⁷ Kraemer, R., & Otarashvili, M. (2014). Geopolitical Implications of the Ukraine Crisis. *Retrieved, 11(14), 2014.*

²⁴⁸ Kevin, L. (2015, June 8). Obama says Europe will continue sanctions on Russia - CNNPolitics.com. Retrieved January 20, 2016, from <http://www.cnn.com/2015/06/08/politics/g7-russia-sanctions-barack-obama/>

²⁴⁹ Dunham, K. (2014, March 2). Kerry condemns Russia's 'incredible act of aggression' in Ukraine. Retrieved January 20, 2016, from <http://www.reuters.com/article/us-ukraine-crisis-usa-kerry-idUSBREA210DG20140302>

²⁵⁰ Regulation, C. (2014). No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, 2014. *Council Regulation (eu) No, 783.*

²⁵¹ Somaskanda, S. (2014, May 26). Germany’s \$104 billion in Russian trade complicates response to crisis in Ukraine. Retrieved January 20, 2016, from <http://www.washingtontimes.com/news/2014/may/26/germanys-104-billion-in-russian-trade-complicates-/?page=all>

willingness to listen to the business interests at the same time, for they "have lobbied that Russian sanctions will hurt German exports in the long term."²⁵² So far, it is clear that political considerations have an upper hand over the economic ones.

Much for the same reasons, France has also showed signs of willingness to act to lift the sanctions if Russia meets its political obligations. French President Hollande repeated that the West should "instead offer to ease off on existing restrictions in exchange for progress in the peace process in Ukraine."²⁵³ Some high-ranking French officials like the former president of the French National Assembly, Patrick Ollier, openly admitted that "sanctions must be lifted." "We are in favor of rapprochement of our countries, and as soon as possible," Ollier said. This position was repeated by President Hollande in September 2015, who expressed the desire to see the sanctions lifted as the Minsk II ceasefire progressed relatively well.²⁵⁴

Great Britain has shown a tougher stance than France. In March 2015, Prime Minister Cameron said, "If Russia is going to rip up the rule book of the 21st century and destabilise a sovereign country, then the rest of the world should be prepared to say to Russia, 'Well you can't rip up one part of the international rule book while still having access to international markets, international finance, international systems'."²⁵⁵ Should Russia renege on its Minsk II commitments, then, according to the Prime Minister, the West has no choice but "to be prepared to settle

²⁵² Harress, C. (2015, July 6). Germany Wants Russian Sanctions Lifted To Safeguard Economy And Continue Trade Relationship With Moscow. Retrieved January 20, 2016, from <http://www.ibtimes.com/germany-wants-russian-sanctions-lifted-safeguard-economy-continue-trade-relationship-1997080>

²⁵³ Kramer, A. E. (2015, January 05). French Leader Urges End to Sanctions Against Russia Over Ukraine. Retrieved January 15, 2016, from <http://www.nytimes.com/2015/01/06/world/europe/francois-hollande-says-destabilizing-sanctions-on-russia-must-stop-now.html>

²⁵⁴ Ukraine conflict: France hopes to end Russia sanctions - BBC News. (2015, September 7). Retrieved January 20, 2016, from <http://www.bbc.com/news/world-europe-34174382>

²⁵⁵ Swinford, S. (2015, May 5). David Cameron: Britain could take Russia sanctions to 'whole different level' Retrieved January 20, 2016, from <http://www.telegraph.co.uk/news/politics/david-cameron/11453232/David-Cameron-Britain-could-take-Russia-sanctions-to-whole-different-level.html>

in for a long and determined position of pitting the weight of the U.S. and the EU against Russia.²⁵⁶

Having listed the first group that is most committed to the sanctions regime, it is necessary to define the opposite group of Western countries that either objected to the imposition of sanctions against Russia from the very beginning (but had to comply due to the political pressure) or attempted to minimize their impact. For instance, it could well be said that three of the Visegrad countries (the Czech Republic, Slovakia and Hungary), as well as Bulgaria, Italy, Greece, and Cyprus have shown a lack of unity on the implementation of the anti-Russian economic sanctions that go beyond restricting access to certain Russian individuals.

Italy, Greece and Cyprus have joined the EU efforts, but reluctantly. Because of long-term bilateral business and trade contacts, they have been suffering losses due to the sanctions regime.

Greek and Cypriot prime-ministers have repeatedly called for sanctions to be called off due to economic links and concerns, particularly in the food and energy sectors.²⁵⁷ ²⁵⁸ For Italy, the sanctions present a problem due to general bilateral trade, but particularly because of the South Stream gas transit pipeline that has been cancelled by Russia and where Italians had major economic interests. “Italy would have loved to participate in South Stream, which is very clear,” reiterated German Chancellor Merkel.²⁵⁹

²⁵⁶ Gross, J., & Brown-Low, C. (2015, March 5). U.K.'s David Cameron Warns West Is Prepared to Significantly Increase Sanctions Against Russia. Retrieved January 20, 2016, from <http://www.wsj.com/articles/u-k-s-david-cameron-warns-west-is-prepared-to-significantly-increase-sanctions-against-russia-1425574648>

²⁵⁷ Russian sanctions create broader problems for entire EU—Cyprus president. (2015, February 24). Retrieved January 20, 2016, from <https://www.rt.com/business/234959-cyprus-eu-russia-sanctions/>

²⁵⁸ Mills, L. (2015, April 9). Tsipras Tells Russia Greece Helped Prevent Broader EU Sanctions. Retrieved January 20, 2016, from <http://www.wsj.com/articles/tsipras-tells-russia-greece-helped-prevent-broader-eu-sanctions-1428577645>

²⁵⁹ Kanter, J. (2015, December 18). E.U. to Extend Sanctions Against Russia, but Divisions Show. Retrieved January 20, 2016, from http://www.nytimes.com/2015/12/19/world/europe/eu-to-extend-sanctions-against-russia-but-divisions-show.html?_r=0

As for the rest of the Visegrad group countries, Wallberg noted that apart from President's Zeman's pro-Russian statements and disposition, the Czech Republic has strong ties with Russia's gas and nuclear companies. This country's traditionally balanced foreign policy approach, maneuvering between Russia and the West, as well as its weak domestic allegiance to the European Union, explain why the republic exercised some caution. "The Czech Republic is acting "the safe way" by securing its trade and energy cooperation with Russia and the European Union by "avoiding economic damages or weakening its Russian relationship", concluded Wallberg.²⁶⁰ As for Hungary, Wallberg also explained that since Hungary has deep bilateral investments with Russia, it is dependent on Russia for gas and nuclear energy, and has a pro-Russian foreign policy. It has therefore been reluctant to increase the scope of its participation in the EU sanctions machine. Hungary's own domestic policies and anti-liberal democracy approach contribute to the lack of unity: "If you would like to have a relationship with the Russians based on principles, it will never work," said Hungarian Prime Minister Orbán, calling for "common sense realpolitik agreement" instead.²⁶¹

As far as Slovakia is concerned, it should be said that economic interests are paramount for that country and its openly pro-Russian leader Prime Minister Robert Fico counts on Russian resources to sustain the country's energy supply. "The fact that Slovakia is nearly fully dependent on Russian gas, oil and nuclear fuel, explains why it is rational for Slovakia to maintain its close ties to Russia," added Wallberg. Therefore, Slovakia is one of the foremost advocates of

²⁶⁰ Wallberg, S. What is behind the lack of unity on the EU sanctions towards Russia?, 48.

²⁶¹ POLITICO EU. (2015, November 19). Orbán: 'All the terrorists are migrants' Retrieved January 20, 2016, from <http://www.politico.eu/article/viktor-orban-interview-terrorists-migrants-eu-russia-putin-borders-schengen/>

finding a diplomatic solution to the current crisis that would restore the EU-Russia trade links and protect its own economic interests.²⁶²

1.4. Conclusion to the third chapter.

The analysis performed in this third chapter has revealed a few definitive observations with regard to the response and actions of the Western nations following the Russian annexation of Crimea and subsequent involvement in East Ukrainian separatist movements.

First of all, it has been clarified that historical, geo-political and Russian domestic politics are equally responsible for Russia's intervention in Ukrainian affairs. After Ukraine's leadership was removed from power, President Putin decided to intervene in the neighbouring country for the fear of a possible future NATO enlargement and possibly also because of the fact that successful democratic transition and transformation of a post-Communist country that closely resembles Russia could cause a chain reaction in Russia, therefore creating a direct threat to his regime's survival.

Secondly, this chapter has also revealed that the Western reactions are comprised of three broad rounds of sanctions, ranging from targeted and personal to broad and sectoral. They evolved from diplomatic actions to severe economic steps, punishing Russian private and state businesses, as well as individuals responsible for the violation of Ukraine's territorial integrity. The Minsk I and II Accords were supposed to put an end to the ongoing violence in the East of Ukraine and contribute to a peaceful resolution of the conflict, but despite some considerable success, the violence has not been brought entirely to the end, and the political solution described

²⁶² Wallberg, S. What is behind the lack of unity on the EU sanctions towards Russia?, 49,

in the Accords has not fully been implemented yet - therefore, on 21 December 2015, the European Union prolonged its sanctions until 31 July 2016.²⁶³

Thirdly, this chapter described the political motivation and domestic political dynamics of the sanctioning Western powers. Despite the fact that there is a general consensus among the NATO and other Western countries that sanctions must be in place until the Minsk Accords are fully observed, these US and German-led efforts have put a strain on Transatlantic solidarity among the participating nations. As a major power, Russia has plenty of business and trade links with European and other countries. Therefore sanctions are detrimental to the interests of all trading partners. Consequently, domestic pressure has been mounting among EU business and even political circles, calling for a solution that would enable the sanctions regime to be lifted.

The next chapter will assess the impact that the sanctions have already had on Russia, from the political and economic points of view.

Chapter IV.

Russia's foreign policy progression since the sanctions have been enacted.

This last chapter of my thesis will try to find answers to two main questions: in what ways have the Western economic sanctions affected the Russian economy, and how have they manifested themselves in Russia's domestic policy. After I make that determination, it will be essential to assess the development and change of the Russian government's rhetoric with regard to Russia's foreign policy towards Ukraine. This will be followed by an analysis of whether the aforementioned change in rhetoric (provided that it took place) led to any actual foreign policy changes regarding Russia's support of separatist forces in Eastern Ukraine, that country's im-

²⁶³ Veebel, V., & Markus, R. (2016). At the Dawn of a New Era of Sanctions: Russian-Ukrainian Crisis and Sanctions. *Orbis*, 60(1), 128-139.

plementation of Minsk I and Minsk II Accords, and the actions of the Russia-controlled armed forces operating in that part of Ukraine. A separate final conclusion regarding the central question of the thesis will then follow.

1.1. The economic impact of the economic sanctions on Russia.

Nelson wrote that in many countries, especially in developing ones like modern Russia, the success of economic development and economic reforms strongly depends on a country's domestic policies, which in itself poses "formidable political challenges."²⁶⁴ British Prime Minister Lady Thatcher repeatedly pointed out that the economic might of the country "comes from the efforts of its people" alone and that is why proper government policies need to motivate people to produce greater results.²⁶⁵ The British Prime Minister always viewed economics as only one of the aspects of a broader long-term political and even moral project: "Economics is the method, the object is to change the soul", she told "The Times" in 1981.²⁶⁶

Therefore, I believe that in order to fully understand the economic impact of Western sanctions against Russia and comprehend why that country is so vulnerable to its effects, it is necessary to give a brief description of Russia's current politico-economic system. Vladislav Inozemtsev, director of the Center for Post-Industrial Studies in Moscow and non-resident senior Associate at the Center for Strategic and International Studies in Washington, D.C, produced a

²⁶⁴ Nelson, J. M. (1994). Linkages between politics and economics. *Journal of Democracy*, 5(4), 49-62.

²⁶⁵ Thatcher, M. (1987, June 8). TV Interview for BBC1 Panorama. Retrieved March 21, 2015, from <http://www.margarethatcher.org/document/106647>

²⁶⁶ Filby, E. (2015). The Gospel According To Margaret Thatcher. In *God and Mrs Thatcher: The Battle For Britain's Soul*. (1st ed.,). Biteback Publishing, p. 133.

surgically precise definition of Russia as “not a normal country.”²⁶⁷ Inozemtsev explained that during the Putin years, the government “preferred to rely on growing oil and gas incomes, redistribute them via the state budget and return them to the people and businesses via pensions, salaries, and investment” instead of developing the manufacturing and industrial sectors that have been consistently in decline and neglect since the fall of the Soviet Union.²⁶⁸ This resulted in the creation of what Senator J. McCain (R-AZ) described as “a gas station masquerading as a country” and what many researchers designated a primitive “virtual economy” based on resource abundance and short-term resource exploitation.^{269 270}

This stance is counter-balanced by scholars with an opposing point of view who believe that Russia's economy is not nearly as oil and gas-revenue dependent as it might seem. For instance, Hellevig denounced the coverage of Russia's economy as “skewed and misguided”, providing a list of arguments suggesting that the country is far from suffering from a “Dutch disease”: Russia switched from exports of crude oil to exports of value-added refined products; its food production doubled from 2000 to 2013, with the exports of food skyrocketing from almost zero to \$16 billion; and its Foreign Direct Investments eclipsed Russia's rivals from 2011 to 2013 due to tax, judicial, public administration and rule of law reforms launched by the Putin administration. As a result, “by the end of 2012 the nominal GDP had risen to \$2,015 billion. This represents a growth of more than 1000% in 12 years,” concluded the economist. With additional arguments listed in his work, it becomes difficult to claim that Russia's economy is as dependent

²⁶⁷ Inozemtsev, V. (2014, June 24). Why Economic Growth Doesn't Matter in Russia | Opinion. Retrieved January 30, 2016, from <http://www.themoscowtimes.com/opinion/article/why-economic-growth-doesnt-matter-in-russia/502465.html>

²⁶⁸ Inozemtsev, V. (2009). Dilemmas of Russia's modernization. *Edited by Ivan Krastev, Mark Leonard and Andrew Wilson*, 47.

²⁶⁹ Gaddy, C. G., Ickes, B. W., & Armacost, M. H. (2002). *Russia's virtual economy*. Washington, DC: Brookings Institution Press.

²⁷⁰ Martínez, F. (2013). On the Peripheral Character of Russia. *e-cadernos ces*, (19).

on revenues from selling natural resources as some theorists present it. Gevorkyan provides similar arguments, saying that even though the energy sector is still reigning high in the hierarchy of the country's economic development, "positive institutional changes", new business opportunities for both foreign and domestic investors as well as steady institutional changes "play out as a net benefit in the longer run."²⁷¹

Andrei Piontkovsky, a leading researcher at the Institute for Systems Studies of the Russian Academy of Sciences and a visiting fellow at the Hudson Institute in Washington, D.C., formulated that the defining features of Russia's political and economic system are "the merging of money and political power, the institutionalization of corruption, and the domination of the economy by major corporations, chiefly trading in commodities, which flourish thanks to public resources that these corporations and their political allies have privatized." Piontkovsky specified that this "gendarme-bureaucratic capitalism" which has been entrenched in Russia over the Putin years makes the country extremely vulnerable to external crises and a hostage to domestic factors. This "petrostate model", according to Piontkovsky, "cannot deliver consistent economic growth, nor can it overcome the enormous gulf between rich and poor, or ensure a breakthrough to postindustrial society." In fact, it "dooms Russia to economic degradation and marginalization", and it has been fully proved by a cataclysmic disorder that took place in the recent years.²⁷² For this reason, having taken this condition into account, there is little wonder that re-

²⁷¹ Hellevig, J. (2014, December). Putin 2000 – 2014, Midterm Interim Results: Diversification, Modernization and the Role of the State in Russia's economy A Wittgensteinian look at the Russian economy. Retrieved February 24, 2016, from <http://www.awaragroup.com/upload/awara-study-russian-economy.pdf>

²⁷² Piontkovsky, A. (2009). The Dying Mutant. *Journal of Democracy*, 20(2), 52-53.

cent events have taken a particularly heavy toll on Russia since they “exposed inner vulnerabilities” of its economy.²⁷³

Russia’s economy has suffered greatly since the start of 2014. First, GDP has fallen substantially. Before the first quarter of 2015 (when the GDP dropped 2.2%), Russia’s economy was growing at 0.6%, managing the combined pressure of sanctions and the global economy; it all changed dramatically in the second quarter of 2015 when the country’s GDP dropped 4.6%. Overall, Russia’s GDP in 2015 contracted by 3.9%.²⁷⁴

Second, the Russian currency rouble fell from 46 rubles to the Euro (RUB/EUR) in the beginning of 2014 to 85 RUB/EUR in December 2014, although it has now somewhat stabilized at 82 RUB/EUR in January 2016. As of January 2016, the Russian currency had also lost almost 50 per cent of its value against the U.S. dollar.²⁷⁵

Third, inflation increased rapidly. Inflation was in single digits during 2014, averaging 8% in the second part of that year, but in 2015 it rose to 16%. It has since fallen to below 13% (12,9%) in 2016.²⁷⁶

Fourth, foreign direct investments to Russia were balanced in 2014, mirroring rates similar to those present in 2012 and 2013. However, December 2014 marked negative FDI flow, although in the first quarter of 2015 they “turned into positive territory.”

Finally, in his latest research article, “Putin’s self-destructing economy”, V. Inosemtsev also indicated a few other factors that are significant regarding the determination of sanctions’

²⁷³ Aalto, P., & Forsberg, T. (2015). The structuration of Russia’s geo-economy under economic sanctions. *Asia Europe Journal*, 1-17.

²⁷⁴ TASS: Business and Economy. (2016, January 16). Russia's GDP shrinks 3.9% in 2015 - economic development minister. Retrieved January 30, 2016, from <http://tass.ru/en/economy/850125>

²⁷⁵ Ormiston, S. (2016, January 26). Ruble's dramatic drop inflicts economic pain. Retrieved January 30, 2016, from <http://www.cbc.ca/news/world/ruble-s-dramatic-drop-inflicts-economic-pain-1.2931140>

²⁷⁶ Federal State Statistics Service. (n.d.). Russia Inflation Rate | 1991-2016 | Data | Chart | Calendar | Forecast. Retrieved January 30, 2016, from <http://www.tradingeconomics.com/russia/inflation-cpi>

impact. The economist noted that Russians' "real disposable incomes - recalculated in dollars - are down significantly", with nominal wages being far lower than they were in 2005. Retail sales rate nosedived "as deeply as they did in 2009", and federal budget income, also in dollars, reverted to 2006 levels.

There are two explanations for these negative figures: sanctions, and the impact of falling oil prices. Veebel and Markus conclude that despite quite a severe negative impact on Russia's economy, sanctions were not "sufficient to initiate significant political change".^{277 278} Kholodin and Wittenberg similarly argue that since Russia strongly depends on revenue from oil and gas sales, it is the shrinking of oil prices that is primarily responsible for the economic downfall, rather than punitive Western economic sanctions.²⁷⁹ Dreger et al demonstrated that the Russian rouble lost 50% of its value against the US dollar since the Russian-Ukrainian conflict commenced in January 2014. However, the same researchers have underlined the fact that the decline in oil prices started in summer 2014 due to the "the modest expansion of demand in main industrial countries and lower growth perspectives in huge emerging markets, such as China and Brazil," and that this bears a lion's share of the responsibility for the loss in the rouble's value. That said, these authors explained that Western sanctions provided additional attrition in a way that they restricted Russian banks' ways to refinance their external debts. Moreover, Russia's inability to buy now unavailable drilling and other industrial technologies "endangers the ability of Russian firms to explore new oil fields and expand production" necessary for the economic re-

²⁷⁷ Veebel, V. (1999). Russia's economic sanctions: high potential but low results. In Estonia and Russia on the Threshold of the 21st Century--global, Regional and Bilateral Dimensions: Seminar in Otepää on 22-25 April, 1999 (Vol. 1, p. 62). University of Tartu.

²⁷⁸ Veebel, V., & Markus, R. (2015). Lessons From The EU-Russia Sanctions 2014-2015. *Baltic Journal of Law & Politics*, 8(1), 165-194.

²⁷⁹ Kholodilin, K., & Wittenberg, E. (2015). "The price of oil is having a stronger impact on the Ruble's exchange rate than are the sanctions": Seven questions to Konstantin Kholodilin. *DIW Economic Bulletin*, 5(44), 592-592.

covery.²⁸⁰ On the top of that, Russia's counter-sanctions regarding a food import ban from the West, enacted in August 2014, have led to higher prices of food and goods, as well as to higher inflation.²⁸¹

In their work, Veebel and Markus made a particularly valid observation that the purpose of these economic sanctions was more political than economic, and the mechanism of sanctions succeeded in "signalling the potential investors that Russia's behaviour is not accepted by the European countries" and investment in that country is therefore strongly discouraged.²⁸²

Inosemtsev concludes that since the Russian economy is "now totally subjugated to politics" - which becomes more and more illiberal - it will be practically unlikely to speak about recovery even provided that sanctions are lifted and oil prices are restored to the previous levels. With foreign and domestic investors, as well as middle class, fleeing the country it is credible to say, in the words of Inosemtsev himself, that Russia "has entered a time of economic self-destruction that might mark the third phase of Putin's reign."²⁸³

However, other people view Russia's future economic development in a different, much more positive way. For instance, Bloomberg Business reported that because of the rouble's recovery and low inflation growth, the Russian bonds "rallied, pushing yields on five-year notes since September 2014."²⁸⁴ Russia's Deputy Prime Minister expressed hope that the country

²⁸⁰ Dreger, C., Kholodilin, K. A., Ulbricht, D., & Fidrmuc, J. (2015). The ruble between the hammer and the anvil: The impact of economic sanctions and oil price, 1-26.

²⁸¹ Christie, E. (n.d.). Sanctions after Crimea: Have they worked? Retrieved January 31, 2016, from <http://www.nato.int/docu/review/2015/Russia/sanctions-after-crimea-have-they-worked/EN/index.htm>

²⁸² Veebel, V., & Markus, R. (2015). Lessons From The EU-Russia Sanctions 2014-2015. *Baltic Journal of Law & Politics*, 8(1), 165-194.

²⁸³ Inosemtsev, V. (2016, January 17). Putin's self-destructing economy. Retrieved January 30, 2016, from https://www.washingtonpost.com/opinions/russias-economy-of-disillusionment/2016/01/17/0803598e-bb97-11e5-829c-26ffb874a18d_story.html

²⁸⁴ Doff, N. (2016, March 3). Emerging Assets Post Best Week of '16 as Growth Outlook Improves. Retrieved March 26, 2016, from <http://www.bloomberg.com/news/articles/2016-03-04/emerging-market-currencies-set-for-strongest-week-since-october>

economy's stabilisation and actual growth will begin in 2017-2018 due to the “number of measures, including adjustments in the budget and investment mechanisms.”²⁸⁵ Moreover, Movchan from the Moscow Carnegie Centre produced a report dedicated to the state of the Russian economy, where the author pointed out that even though the country is in the process of contraction caused by the crisis and it is losing its competitive edge on the world stage, the situation is far from being abysmal. Indeed, although it is true that economy has been badly damaged, asserted the author, these changes are still acceptable enough to the general populace to avoid “a social implosion” and “a rapid growth of protest activities”. The life quality expressed in GDP (PPP) was 34.000 USD in 2014, falling to 20.000 USD in 2015 – but still well above the 1990s era which allows the government to pursue its activity without the fear of popular protests.²⁸⁶ In fact, according to some analysts, “the worst may be behind the Russian economy”: Russian equities have rebounded, the health of the labour market has improved, sanctions may be lifted this summer, and the growth rate has improved from -0.1 to 0.1 % GDP.^{287 288}

1.2. The political impact of the economic sanctions on Russia.

It is often said - as I demonstrated in the third chapter - that these economic sanctions pursue a double agenda: first (explicitly) to change Russia's geo-political behaviour in Ukraine and second (to some extent, implicitly), to induce regime change and democratic transformation. It is clear from the previous section that economic sanctions did play a role in exacerbating eco-

²⁸⁵ Russian Deputy PM Hopes Economy to Return to Growth in 2017-2018. (2016, March 23). Retrieved March 26, 2016, from <http://sputniknews.com/russia/20160323/1036822271/russia-economy-growth-slowdown.html>

²⁸⁶ Movchan, A. (2016, March 18). Economic F.A.Q. How resilient is Russian economy? (Economicheskyy FAQ. Kakoy zapas prochnosti u Rossiskoy ekonomiki.). Retrieved March 26, 2016, from <http://carnegie.ru/commentary/2016/03/18/ru-63067/ivif>

²⁸⁷ Russia Rally In The Making. (2016, March 21). Retrieved March 26, 2016, from <http://seekingalpha.com/article/3959929-russia-rally-making>

²⁸⁸ Adonis, M. (2016, March 26). The Worst Might Be Over For Russia's Labor Market. Retrieved March 26, 2016, from <http://www.forbes.com/sites/markadomanis/2016/03/26/the-worst-might-be-over-for-russias-labor-market/#4ee1986d4baa>

conomic difficulties within Russia, together with dropping oil prices causing “significant downward pressure on the value of the rouble and increased capital flight.”²⁸⁹ To that end, the economic side of the broader picture is clear; but what about the political repercussions that ensued after the sanctions were enacted? I believe that it is possible to trace and demonstrate political changes that have taken place, and in order to do so, one must distinguish between two different matters: the political impact of the economic sanctions on Russia with respect to that country’s foreign policy domain (and relationships with foreign nations), and the political impact of the economic sanctions against Russia with regard to Russia’s domestic policies, governance and relations between the federal centre, Moscow, and the regions.

Regarding the foreign policy impact, the first direct impact of sanctions was, in the words of President Putin, the “deterioration” of bilateral trade and diplomatic relations between Russia and the EU, NATO and the West as a whole.²⁹⁰ If in 2006 some political scientists carefully voiced concerns that Russia’s increasingly authoritarian domestic politics jeopardized “Russia’s ‘integration’ into the West and a ‘strategic partnership’ between Moscow and Washington”, these words about cooperation and alliance had all but vaporized by 2016.²⁹¹ Several major commercial projects were terminated, namely the South Stream gas pipeline that was supposed to transit gas from Russia to the EU via the Black Sea and Bulgaria and which cancellation “came at a time of increased diplomatic tension with the EU.”²⁹²

²⁸⁹ Christie, E. (n.d.). Sanctions after Crimea: Have they worked? Retrieved January 31, 2016, from <http://www.nato.int/docu/review/2015/Russia/sanctions-after-crimea-have-they-worked/EN/index.htm>

²⁹⁰ Bertrand, N. (2016, January 11). PUTIN: The deterioration of Russia's relationship with the West is the result of many 'mistakes' Retrieved January 31, 2016, from <http://www.businessinsider.com/vladimir-putin-interview-us-relationship-west-2016-1>

²⁹¹ Trenin, D. (2006, July/August). Russia Leaves the West. Retrieved January 31, 2016, from <https://www.foreignaffairs.com/articles/russia-fsu/2006-07-01/russia-leaves-west>

²⁹² Richard, H. (2015, June). Why Russia cancelled South Stream: Russia’s no 2 export changes its strategy. Retrieved January 31, 2016, from <http://mondediplo.com/2015/06/07south-stream>

Moreover, according to the European Commission, reported POLITICO, the EU's trade with Russia dropped by 13 percent from 2013 to 2014. U.S. The magazine also reported that the US exports to Russia dropped from \$11.4 billion in 2013 to \$10.8 billion in 2014 - a 3.5 percent decline - with a 10 percent drop in two-way trade.²⁹³ Industrial sectors of certain European countries like France suffered certain losses since France had to cancel the deal of selling two Mistral-class helicopter carriers to Russia and fully compensate for training expenses.²⁹⁴ Germany, which has perhaps the most extensive trade links with Russia, has been pressured by its business representatives to lift the sanctions: research performed by the German-Russian Chamber of Commerce AHK showed that “two-thirds of the 134 German companies working in Russia said they suffered from the economic sanctions - last year that figure was a little over a third at 38 percent.”²⁹⁵

Secondly, on the geo-strategic level the crisis in Ukraine has brought, according to the seminal work of Dmitry Trenin from Moscow Carnegie Center, “an end to the post-Cold War status quo in Europe”, producing “an unanchored relationship between the West and Russia.” The researcher outlined that East-West hostilities came almost to Cold War levels, “ushering in a period of U.S.-Russian rivalry”, making Ukraine, Moldova, Georgia, as well as other former Soviet republics and territories “the battleground in the U.S.-Russian fight for influence.” Trenin also noted that these hostilities nullified the period of East-West “mutual understanding and cooperation” produced by Mikhail Gorbachev's agreement to the reunification of Germany. In fact, concluded the author, these actions forced President Putin to adopt a foreign policy line that was visibly different from Western interests by intervening in the Syrian civil war and providing di-

²⁹³ Schatz, J. (2015, September 12). The transatlantic cost of Russia sanctions. Retrieved January 31, 2016, from <http://www.politico.eu/article/transatlantic-unity-russia-sanctions-united-states-europe-ukraine/>

²⁹⁴ Kandiyoti, R. (2015). Economic Warfare and Europe's Gas Supplies. In *Powering Europe: Russia, Ukraine, and the Energy Squeeze* (pp. 116-137). Palgrave Macmillan US.

²⁹⁵ Russia Today. (2016, January 7). German business wants anti-Russia sanctions to be 'gradually lifted' Retrieved January 31, 2016, from <https://www.rt.com/business/328202-germany-russia-sanctions/>

rect assistance to President Assad. In summer 2013, President Putin “performed a spectacular feat” by preventing a US-Syrian war and convincing the Syrian regime to abandon its chemical WMD arsenal. Lastly, another detail of Putin outmaneuvering the United States was his decision to grant political asylum to NSA whistleblower Edward Snowden that was a sign of him openly “challenging American domination in world affairs”.²⁹⁶

Finally, the last important political foreign policy impact was Russia’s geo-political pivot, “a great leap” from the West to the East, China. Meyer and Pismennaya explained that such a move was caused by Russia’s isolation, its reliance on foreign investments, and its desire to avoid a recession. As these authors recounted, the country’s “growing dependence on China” can only mean making trade concessions by granting the Communist republic privileged access to two things it can not acquire on its own: advanced weaponry and natural resources.²⁹⁷ President Putin directly linked Western economic sanctions with this foreign policy shift, saying that they “stimulate bilateral cooperation” that includes working in aerospace, space rocket, science, advanced technology and finance domains, with particular attention given to efforts to settling trade operations in two countries’ own currencies rather than in the US dollar.²⁹⁸ So far, this cooperation resulted in “a three-year 150 billion yuan local-currency swap deal, a double-tax treaty, satellite-navigation and high-speed rail cooperation and an agreement on implementing a May natu-

²⁹⁶ Barry, E. (2013). While NSA Leaker Stays in Hiding, Russian TV Builds a Pedestal for Him. *The New York Times*, 6(28), 13.

²⁹⁷ Pismennaya, E., & Meyer, H. (2014, October 13). Putin Deals China Winning Hand as Sanctions Power Rival. Retrieved February 05, 2016, from <http://www.bloomberg.com/news/articles/2014-10-12/putin-deals-china-winning-hand-as-sanctions-power-rival>

²⁹⁸ Rosbalt News Agency. (2015, September 1). Putin: Western sanctions made Sino-Russian relations reach their all-time peak. Retrieved February 05, 2016, from <http://www.rosbalt.ru/main/2015/09/01/1435652.html>

ral gas contract” as well as in framework deals between the Chinese banks and Russian banks that are subject to Western sanctions.²⁹⁹

This foreign policy development puts Russia in a vulnerable and even dangerous position. What some journalists, researchers and politicians present as “friendship” or “alliance” or even a “new superpower axis with a shared goal of challenging US hegemony”, others denounce as an irreversible process of China “devouring” increasingly fragile and unstable Russia. The extent of this imbalance was perhaps the best depicted by the UK’s “The Guardian”, which chronicled that “China is Russia’s second largest trading partner after the EU, while Russia only just scraped into a list of China’s top 10 trading partners, accounting for barely 3% of the country’s total trade volume.”³⁰⁰

This pivot is dangerous not merely in psychological, cultural and moral terms, but also because it unnecessarily distances Russia from Western civilization by forcing it to ally itself - agree to a subordinate role, in fact - with a power whose values and culture vastly differ from those of Europe, and also makes Russia more and more dependent on Chinese foreign capital. Humphrey reflected that dangerous vulnerability by observing that “While Russians used to look down upon the Chinese, they are beginning to talk about them with admiration. The Chinese, on the other hand, definitely no longer view Russia in the Soviet terms of a big brother.”³⁰¹

Some researchers cautiously warn that “China will seek to exploit Russia’s alienation from the United States and its estrangement from the EU to gain a better deal in its energy rela-

²⁹⁹ Pismennaya, E., & Meyer, H. (2014, October 13). Putin Deals China Winning Hand as Sanctions Power Rival. Retrieved February 05, 2016, from <http://www.bloomberg.com/news/articles/2014-10-12/putin-deals-china-winning-hand-as-sanctions-power-rival>

³⁰⁰ Graham-Harrison, E., Luhn, A., Walker, S., Sedghi, A., & Rice-Oxley, M. (2015, July 07). China and Russia: The world's new superpower axis? Retrieved February 05, 2016, from <http://www.theguardian.com/world/2015/jul/07/china-russia-superpower-axis>

³⁰¹ Hille, K. (2016, February 5). Russia and China: Friends with benefits - FT.com. Retrieved February 05, 2016, from <http://www.ft.com/cms/s/0/f8959924-cab6-11e5-a8ef-ea66e967dd44.html#slide0>

tions”, and others openly admit that “the Chinese hope that by cutting itself off from the Western civilization, Russia becomes an easy prey for them” - a process that many Russian influential political schools of thought salute, praise as a victory over the West, and regard as “Russia’s return to its deep historical roots” dating back to the Golden Horde.^{302 303}

1.3. The impact on the government's domestic and foreign policy rhetoric.

The issue discussed here is related to the Western sanctions and Russia’s official rhetoric with regard to the crisis in the Donbass region alone. The issue of Crimea is entirely avoided, for no amount of sanctions, punitive or coercive actions will force Russia to revoke the annexation of that peninsula. President Putin stated that its reincorporation into Russia represents “an element of historical justice” which is supported by the “overwhelming majority of the Russian people.”³⁰⁴³⁰⁵ Russia set its nuclear weapons on full alert to demonstrate that it “will go to the very end, defending her interests”. Since 87% of the Russian populace view Crimea as a native Russian land, the peninsula has become, in the words of Shevtsova, “an inseparable element of Russia’s political mentality.”^{306 307 308}

³⁰² Degtyarenko, A. (2014, May 25). Political scientist A. Pionkovsky on China's victory over Russia, Putin's failure and his plans on Donbass. Retrieved February 05, 2016, from <http://apostrophe.com.ua/article/politics/2015-05-24/putin-davno-provalil-proekt-novorossiya---politolog-piontkovskiy/1749>

³⁰³ Mirovalev, M. (2015, July 25). A Sino-Russian alliance to rival Europe. Retrieved February 05, 2016, from <http://www.aljazeera.com/indepth/features/2015/07/sino-russian-alliance-rival-europe-150719085829977.html>

³⁰⁴ Isachenkov, V., & Sekretarev, I. (2014, May 9). Putin hails Crimea's return to Russia as 'historic justice' Retrieved March 27, 2016, from <http://www.ctvnews.ca/world/putin-hails-crimea-s-return-to-russia-as-historic-justice-1.1813624>

³⁰⁵ Drujinin, A. (2015, April 26). Putin o Krime: Rossiya Poidet do kontsa, zashishaya svoyi interesi. (Putin: Russia will go to the end to defend her interests). Retrieved March 27, 2016, from <http://ria.ru/politics/20150426/1060985426.html>

³⁰⁶ BBC Ukraine. (2015, March 15). Putin: "my bili gotovy" primenit yadernoye orujie iz-za Krima. (Putin: "we were ready" to use nuclear weapons for the sake of Crimea. Retrieved March 27, 2016, from http://www.bbc.com/ukrainian/ukraine_in_russian/2015/03/150315_ru_s_putin_documentary_crimea

³⁰⁷ Osharov, R. (2014, June 25). Anneksia Krima and reiting Puting (Crimea's annexation and Putin's rating). Retrieved March 27, 2016, from <http://www.golos-ameriki.ru/content/russia-crimea/1945085.html>

With regard to the government's official statements, I should point out that there has been indeed one significant change: the Russian government did not initially recognize the new Ukrainian post-“coup” government, branding it as “Kyiv junta”, and Putin’s spokesman D. Peskov labeled military operations by the Turchinov government as “blood-soaked avengers murdering civilians in the centre of Europe.”^{309 310} This rhetoric only changed with the election of President Petro Poroshenko in May 2014: Foreign Minister Lavrov affirmed the official Russian government’s position to acknowledge the Ukrainian shift in power, and that position has never changed since.³¹¹

Another change relates to the concept of “Novorossiya”. Vladimir Putin first mentioned the historical concept of “Novorossiya” on April 17, 2014 after Crimea was officially annexed by the Russian Federation.³¹² Sonne stated that since then European political manoeuvres have forced the Russian government to distance itself from “Novorossiya” completely.³¹³ Piontkovsky offered a slightly different perspective - for him, since the implementation of the “Novorossiya” project faced political and military difficulties including the threat of far more serious sanctions against Russia, the government’s official rhetoric has also changed to suit its foreign policy

³⁰⁸ Apostrof. (2015, December 02). V Rossii rasskazali skolko lyudey gotovyi zaplatit za kryimnash. (Russia was told how much the people are willing to pay for the annexation of Crimea.). Retrieved March 27, 2016, from <http://apostrophe.com.ua/news/world/ex-ussr/2015-12-02/v-rossii-rasskazali-skolko-lyudey-gotovyi-zaplatit-za-kryimnash/43234>

³⁰⁹ Yesevi, Ç. G. (2014). New Regionalism in Post-Soviet Territory: Evolution from Eurasian Economic Community to Eurasian Economic Union. *Mediterranean Journal of Social Sciences*, 5(23), 1986.

³¹⁰ Latukhina, K. (2014, May 5). Peskov: Ruki vlastey v Kieve faktichesky po lokot v krovi (Peskov: Kiev government's hands are practically soaked with blood). Retrieved February 15, 2016, from <http://www.rg.ru/2014/05/03/peskov-site.html>

³¹¹ Vassilyev, A. (2014, October 28). Sergey Lavrov: RF priznaet rezultaty viborov v Verkhovnyy Rady (Sergey Lavrov: RF will recognize election results in the Ukrainian Parliament" Retrieved February 15, 2016, from <http://www.rg.ru/2014/10/28/lavrov-site.html>

³¹² Washington Post. (2014, April 17). Transcript: Vladimir Putin's April 17 Q&A. Retrieved February 15, 2016, from https://www.washingtonpost.com/world/transcript-vladimir-putins-april-17-qanda/2014/04/17/ff77b4a2-c635-11e3-8b9a-8e0977a24aeb_story.html

³¹³ Sonne, P. (2015, May 29). 'Novorossiya' Falls From Putin's Vocabulary as Ukraine Crisis Drags. Retrieved February 15, 2016, from <http://www.wsj.com/articles/novorossiya-falls-from-putins-vocabulary-as-ukraine-crisis-drags-1432936655>

goals. In fact, further elaborated the author, “Putin’s strategy aims to ‘push’ Luhansk and Donetsk People’s Republics ... into Ukraine’s political realm to legalize its leaders, make them MPs (respectable Ukrainian politicians) for the purpose of blocking the country’s European integration.”³¹⁴ In this respect, we can clearly suggest that the threat of sanctions, as described by Dreyer and Popescu, worked, and it forced the Russian government to cease its far-fetched plans with regard to its geopolitical goals in Ukraine.³¹⁵

Robinson analyzed the official statements and rhetoric of the Russian government and its senior tier, mostly represented by the Foreign Ministry and President Putin himself, and came to a different conclusion. The author has found that from the very beginning of the Ukrainian crisis, Russia’s official line has been remarkably consistent, for it always centred on three notions: first, that the Donbass region is an integral part of Ukraine; second, Ukraine can only restore its inner political stability if the people of Donbass are devoid of fear and insecurity for their future; third, the political order can be returned via direct negotiations between the federal government in Kiev and the rebels. The key conclusion that the researcher drew after analyzing Russia’s official verbal commitments is that the government strives to establish a political dialog between Kiev and the “self-proclaimed republics” to bring an end to hostilities.

Furthermore, Robinson found out that Kremlin strategy took the form of a compromise, “middle-of-the-road” approach, with a lot of obligations on the Ukrainian side. The notion of a constitutional reform is crucial here – the Russian government has repeatedly asserted that it was indeed the Ukrainian government’s responsibility to follow the Minsk Agreements, pointing out

³¹⁴ Obosrevatel - politika. (2015, July 22). Piontkovsky obyasnil, kak Putin "vpikhnet" "DNR" i "LNR" v Ukrainy - Piontkovsky explained how Putin will "push" "LNR" and "DNR" in Ukraine - (Пионтковский объяснил, как Путин "впихнет" "ДНР" и "ЛНР" в Украину). Retrieved February 17, 2016, from <http://obozrevatel.com/politics/49625-piontkovskij-obyasnil-kak-putin-vpikhnet-dnr-i-lnr-v-ukrainu.htm>

³¹⁵ Dreyer, I., & Popescu, N. (2014). Do sanctions against Russia work?. *European Union Institute for Security Studies (EU ISS) Brief*, (35).

Moscow's inability to influence Ukrainian domestic policy directly.³¹⁶ For example, in his interview given to a German newspaper "Bild", President Putin made several references to Kiev's responsibilities depicted in the Minsk-2 accords: "For example, the main, the key issue in the settlement process is political in its nature and the constitutional reform lies in its core. This is Point 11 of the Minsk Agreements. It expressly states that the constitutional reform must be carried out and it is not Moscow that is to make these decisions." Then the President reasserted that the blame lies on Ukraine, for it was supposed "to carry out a constitutional reform with its entry into force by the end of 2015."³¹⁷

Robinson has also observed that the official Russian government's position distancing Russia from any legal connections with the "self-proclaimed republics" of DNR and LNR and maintaining that these two quasi-"states" remain an integral part of Ukraine, has not actually changed since the beginning of the conflict!

For instance, Robinson remarked that in August 2014 President Putin called for "substantive, deep negotiations ... about the state system of south-east Ukraine in order to unconditionally guarantee the lawful interests of the people who live there".³¹⁸ In November 2014 Putin stressed that it was Russia's main goal to see that "the interests of everyone who lives in Ukraine, including the south east, be observed, so that they can enjoy equal rights," and the President drew attention to the Minsk accords in February 2015, expressing the government's desire to see the constitutional reform in Ukraine implemented for the purpose of securing "the legal

³¹⁶ Putin: You can't blame Moscow for what Kiev refuses to do. (2016, January 11). Retrieved February 15, 2016, from http://www.pravdareport.com/russia/politics/11-01-2016/133031-putin_bild-0/

³¹⁷ Interview to German newspaper Bild. Part 1. (2016, January 11). Retrieved February 15, 2016, from <http://en.kremlin.ru/events/president/news/51154>

³¹⁸ Michael B Kelley and Reuters. (2014, August 31). Putin Wants 'Statehood' For Southeastern Ukraine. Retrieved March 27, 2016, from <http://www.businessinsider.com/putin-wants-statehood-for-southeastern-ukraine-2014-8>

rights of the people of Donbass.”^{319 320} In the same month, Putin warned about the dangers of the continuing anti-terrorist operation of the federal Ukrainian government in Donbass, calling it a “punitive operation” detrimental to the “new formula of constitutional arrangement” of Ukraine.³²¹

Furthermore, in May 2015 Foreign Minister Lavrov, as noted by Robinson, repeated Russia’s insistence on Donetsk and Luhansk People’s Republics remaining members of the Minsk peace agreements as well as members of Ukraine itself.³²² In September 2015, Russia’s Foreign Ministry representative repeated the government’s position that there was “no alternative to the Minsk agreements” - the documents, where, as Robinson observed, Donetsk and Luhansk are described as a part of Ukraine.³²³ Shortly after that announcement, added the author, President Putin called for the creation of “direct contact” between the federal Ukrainian government and the authorities in the two self-proclaimed “republics” for the sake of implementation of the Minsk Accords.

Could it be said that it is sanctions that “compelled” the Russian government to follow this same political agenda that puts the Minsk agreements at the heart of the conflict resolution in Ukraine?³²⁴ We can only speculate due to the closed nature of Russian politics and Kremlin-centered decision-making, but the hard facts embodied in the official rhetoric indicate that the Russian government is taking the Minsk agreements and the peace-building process rather seri-

³¹⁹ Nikolskyi, A. (2015, February 17). Putin: West already supplies arms to Kiev, but Moscow optimistic about Minsk deal. Retrieved March 27, 2016, from <https://www.rt.com/news/233231-putin-ukraine-conflict-west/>

³²⁰ Gressel, G. (2015, February 13). The Minsk II agreement – The long game. Retrieved March 27, 2016, from http://www.ecfr.eu/article/commentary_the_minsk_ii_agreement_the_long_game429

³²¹ BBC Russian. (2015, February 9). BBC Russian: Putin named his conditions for peace in Ukraine. Retrieved March 27, 2016, from http://www.bbc.com/russian/international/2015/02/150208_putin_ukraine_donbass

³²² Robinson, P. (2016). Russia's role in the war in Donbass, and the threat to European security. *European Politics and Society*, 7.

³²³ Robinson, P. (2016). Russia's role in the war in Donbass, and the threat to European security. *European Politics and Society*, 1-16.

³²⁴ Adelberg, L. C. M. A. What's Old is New—Kennan, Putin, and the Russian Competitive Viewpoint, 4.

ously, and its official positions' consistency proves this. The Russian government's rhetoric did not change during the rest of the year 2015 and this observation remains valid in 2016.

Consequently, judging by the rhetoric - and the official rhetoric alone - it is clear that Russia, in the words of Robinson, is determined "to get Kiev to talk to its opponents in Donbass" - at least on paper.³²⁵ The question is, have Western economic sanctions played a major (or any) role in making the Kremlin maintain the same approach of "peace resolution through diplomacy" throughout the conflict? The answer is negative, for its rhetoric has not been revised or amended since the start of the conflict even though the scope of sanctions has been enlarging. Therefore, as Russia's calls for a political resolution via peace talks between Kiev and the rebel "republics" have not changed despite the sanctions, it is indeed possible to draw a conclusion that Western sanctions did not impact Russian *rhetoric* in this regard. Russian government's *actions*, however, are far more important - and the next part of this chapter dedicated to Russia's foreign policy actions may enable me to give a more substantial reply to that question.

1.4. The impact on the government foreign policy actions in Ukraine.

Unlike the previous chapter, this section will take into consideration not the official rhetoric of the Russian government (which is relatively easy to trace and measure) but something far more difficult to link directly to Russia's government - that country's role in Ukraine's war in the region of Donbass. Since the Russian government, "despite mounting international evidence to the contrary," has denied any actual presence of the regular Russian troops in Ukraine, it is somewhat difficult to estimate how the Western economic sanctions influenced Russia's actions

³²⁵ Robinson, P. (2016). Russia's role in the war in Donbass, and the threat to European security. *European Politics and Society*, 8.

in its neighboring country.³²⁶ However, because President Putin admitted in his December 2015 press-conference that there are (were?) indeed “military intelligence officers operating in the country” which were “dealing with certain tasks” and who did not constitute “regular Russian forces”, one must assess how these officers influenced the rebels’ decisions throughout the conflict.^{327 328}

Robinson divided the timeline of the Russian intervention in Donbass into four phases: 1) March-July 2014; 2) August-September 2014; 3) October 2014-February 2015; 4) March 2015-present.

Authors such as Allison have argued that during the first five months of the conflict Russia “used coercion and force to take control of and destabilize the territories of a neighbour state.”³²⁹ Despite these assertions, Sakwa found out that the lion’s share of the insurgency’s commanders were motivated by a sense of alienation from Kiev and they “came from the Donbas, with some from other regions of Ukraine, including Crimea.” He concluded that pre-existing grievances due to the lack of federalism led to a military conflict and a civil war - with Russia having little to do with these internal affairs of Ukraine.³³⁰ Kudelia described four factors - “state fragmentation, violent regime change, the government’s low coercive capacity and resentment and fear” (with regard to Donbas’s events) that made the armed struggle “a homegrown phenom-

³²⁶ Demirjian, K. (2015, May 28). Putin denies Russian troops are in Ukraine, decrees certain deaths secret. Retrieved March 27, 2016, from https://www.washingtonpost.com/world/putin-denies-russian-troops-are-in-ukraine-decrees-certain-deaths-secret/2015/05/28/9bb15092-0543-11e5-93f4-f24d4af7f97d_story.html

³²⁷ Oliphant, R. (2015, December 17). Vladimir Putin admits: Russian troops 'were in Ukraine' Retrieved March 27, 2016, from <http://www.telegraph.co.uk/news/worldnews/vladimir-putin/12054164/Vladimir-Putins-annual-press-conference-2015-live.html>

³²⁸ Walker, S. (2015, December 17). Putin admits Russian military presence in Ukraine for first time. Retrieved March 27, 2016, from <http://www.theguardian.com/world/2015/dec/17/vladimir-putin-admits-russian-military-presence-ukraine>

³²⁹ Allison, R. (2014). Russian ‘deniable’ intervention in Ukraine: how and why Russia broke the rules. *International Affairs*, 90(6), 1255.

³³⁰ Sakwa, R. (2015). *Frontline Ukraine: crisis in the borderlands*. IB Tauris, 154.

enon.”³³¹ Robinson added that the aforementioned conditions created a “chaotic situation over which nobody, let alone the Russian government, had any control.”

That is not to say that the Russian government could not have done more to enact greater restrictions to limit the flow of the Russian citizens willing to play their part in the initial part of the insurrection, as in case of rebel commander (or, as some say, mercenary) Igor Strelkov and 52 Russians at his disposal.³³² Robinson, with a reference to Sakwa, underlined the fact that Moscow attempted to exert pressure on the separatist anti-government forces of DPR and LPR to postpone the planned independence referendums and when they took place, the Russian government refused to annex these two entities.³³³ In fact, the aforementioned author pronounced that there “no worthwhile evidence has ever been produced showing that units of the Russian Army were in Donbass in the early stages of the conflict.” Beshidsky speculated that Putin “was just as careful to avoid a full-scale invasion, even though he could have crushed the Ukrainian military” whenever he wanted to.³³⁴ “The overwhelming majority of rebel fighters have always been Ukrainian citizens.”³³⁵ Even Strelkov himself admitted a lack of foreign intervention, stating that “the only factor that was missing was the presence of the Russian army.”³³⁶ Robinson also added that “volunteers” coming from Russia had their own motivations that were in contradiction with the official government’s rhetoric, and that during the first period of the uprising the rebels “sup-

³³¹ Kudelia, S. (2014). Domestic sources of the Donbas insurgency. *PONARS Eurasia*.

³³² Malyarenko, T. (2016). Ukraine from the Euromaidan to the war with Russia. *The Routledge Handbook of Ethnic Conflict*, 349.

³³³ Robinson, P. (2016). Russia's role in the war in Donbass, and the threat to European security. *European Politics and Society*, 10.

³³⁴ Bershidsky, L. (2016, February 22). Why Russia Stopped at Crimea. Retrieved March 27, 2016, from <http://www.bloombergvew.com/articles/2016-02-22/why-russia-stopped-at-crimea>

³³⁵ Bershidsky, L. (2016, February 22). Why Russia Stopped at Crimea. Retrieved March 27, 2016, from <http://www.bloombergvew.com/articles/2016-02-22/why-russia-stopped-at-crimea>

³³⁶ Wilson, A. (2015). *The Ukrainians: unexpected nation*. Yale University Press, 351.

plied themselves almost entirely by capturing weapons and ammunition from the Ukrainian army and security services.”³³⁷

The second phase of the conflict commenced in mid-July 2014 when Russia, according to Robinson, responded to the changing circumstances and started to become more directly involved in the insurgency. Notably, this involvement took place after (!) the lion’s share of Western sanctions were introduced. In July and August 2015 the situation, as described by Haukkala reached a “culminating” point: the hostilities increased to unprecedented heights.³³⁸ Moreover, the downing of the Malaysia Airlines Flight 17 plane complicated the situation, adding to “Russia’s international isolation.”³³⁹ Robinson acknowledged that the rebels were using battle ammunition in far greater quantities than they “could possibly have captured from the Ukrainians”, suggesting that it must have come from Russia. Taking into account the fact that Russia continued to supply the insurgents with “rather modern” weaponry after sanctions kicked into effect, perhaps it is not unreasonable to say that the desired punitive effect of these measures was not strong enough to influence Russia’s decision-making process.³⁴⁰

As the fighting extended significantly, it led to the deterioration of the humanitarian situation in eastern Ukraine, which, as Sakwa said, de-facto forced Russia’s government “to offer succour to the Donbas insurgents” for the purpose of stopping the civilian casualties. Perhaps, the domestic political implications of ignoring the ongoing hostilities and civilian casualties were more important to Moscow than foreign opinion on these matters. These considerations made the

³³⁷ Robinson, P. (2016). Russia's role in the war in Donbass, and the threat to European security. *European Politics and Society*, 11.

³³⁸ Haukkala, H. (2015). From cooperative to contested Europe? The conflict in Ukraine as a culmination of a long-term crisis in EU–Russia relations. *Journal of Contemporary European Studies*, 23(1), 25-40.

³³⁹ Freedman, Lawrence. "Ukraine and the art of limited war." *Survival* 56, no. 6 (2014): 7-38.

³⁴⁰ Berdt, R. (2015, February 11). Voenny expert: U Ukraini dostatochno orujia, no net stretegii (Ukraine has enough weapons, but it lacks strategy). Retrieved March 27, 2016, from <http://www.dw.com/ru/военный-эксперт-у-украины-достаточно-оружия-но-нет-стратегии/a-18249270>

Russian government opt to try to put an end to the hostilities between the two groups by intervening directly.

It is also possible to suspect that Russia's government might have been taking Western sanctions much more seriously than expected and therefore was making calculations and foreign policy decisions to avoid provoking a new round of economic sanctions. For example, since Robinson indicates the specific date, early/mid-August, when the Putin government chose to pursue the "peace through force" option, I could speculate that perhaps massive sector-specific as well as harsh targeted sanctions from all sides, including Japan, Canada, Switzerland and the USA impacted the Russia's government foreign policy decisions.

Because we do not know officially which considerations were taken into account, we can not know exactly the calculations and cost-benefit analysis behind Russia's decision to pursue the peace settlement. Mearsheimer suggested that sanctions at that point did not "alter Putin's decision-making", while others, like Holmquist went so far as to say that the threat of further sanctions put Russia's Eurasian integration projects under threat and therefore Putin had to find a non-aggressive solution.^{341 342} Paradoxically, Robinson explained that any Russian efforts of peace resolution would require in fact a great degree of intervention to force the rebels to compromise, to purge and replace the hardliners and to centralize the authority within the self-proclaimed "republics" to enforce the possible deal implementation. At the same time, the author explained that Russia had to coerce the Ukrainian leadership to cease its military assault - and the only way to do so was to "inflict a serious military defeat on the Ukrainian Army".³⁴³ The politi-

³⁴¹ Mearsheimer, J. J. (2014). Why the Ukraine Crisis is the West's Fault. *Foreign Affairs*, 93(5), 77-89.

³⁴² Holmquist, E. (2015). Kazakhstan after Crimea: "You Cannot Choose Your Neighbours". *Swedish Defense Research Agency, RUFBS Briefing*, (26).

³⁴³ Robinson, P. (2016). Russia's role in the war in Donbass, and the threat to European security. *European Politics and Society*, 11.

cal part of this plan met with success: the upper tier of the rebel leadership was replaced and its independence was significantly curtailed; the military part of the same plan with regard to overpowering the Ukrainian forces was successful as well. While denying any intentional presence of its troops, “in alliance with rebel forces, the Russians succeeded in inflicting a serious defeat on the Ukrainian Army around the town of Ilovaisk, allowing the rebels to recapture a significant part of lost territory, before on 5 September 2014 a ceasefire came into effect following the first Minsk agreement.” That agreement involved the immediate bilateral cessation of the use of weapons and, among anything else, the implementation of the decentralization of power “with respect to the temporary status of local self-government in certain areas of the Donetsk and the Lugansk regions.”³⁴⁴

Robinson assumed that perhaps that peace agreement was a demonstration of Moscow’s willingness to restore peace in Ukraine: had Russia wanted to continue destabilizing Ukraine and advance the rebel positions as much as possible, it would have never made these political steps, much less intervened to curtail the rebels’ ambitions. In fact, asserted the author, it was an act intended to demonstrate that Russia’s true intention was to ensure bilateral political dialog between the Ukrainian centre and the rebellious regions. “It is inconceivable”, concluded Bershidsky, “that Putin didn’t know how weak Ukraine was. He had access to intelligence from the neighboring country. He could even talk directly to the deposed president, Viktor Yanukovich, who had just fled to Russia. Nothing prevented a Russian invasion.”³⁴⁵ Perhaps Russia indeed desired to bring peace to these hostilities; perhaps it was hamstrung and deterred by the impend-

³⁴⁴ TASS News Agency. (2014, September 7). OSCE makes public protocol of Minsk agreement of Contact Group for Ukraine. Retrieved March 27, 2016, from <http://tass.ru/en/world/748479>

³⁴⁵ Bershidsky, L. (2016, February 22). Why Russia Stopped at Crimea. Retrieved March 27, 2016, from <http://www.bloombergtview.com/articles/2016-02-22/why-russia-stopped-at-crimea>

ing perils of massive economic sanctions and therefore had to make concessions - both versions could be correct, and one can reasonably use the existing evidence to support either claim.

The third stage of Russia's involvement lasted from October 2014 to February 2015. That period saw a reduction in hostilities and somewhat clandestine indirect Russian involvement in the conflict, combined with Moscow's attempts to ensure that the rebels consolidated their own power over the "disparate militia." These events revolved around the areas of "strategic importance" such as the Donetsk Airport and Debaltseve, the capture of which became the prime goal of the combined separatist-quasi-Russian forces.³⁴⁶ Despite the reports that some Russian troops - "regular Russian army" were present during these hostilities, there was little evidence to confirm this claim: instead, the troops assisting the self-proclaimed "republics" were, as some say, "mercenaries."³⁴⁷

Despite that (limited?) assistance, it is reasonable to say that the rebel forces could not have possibly amassed or seized enough ammunition to sustain a prolonged military onslaught against the Ukrainian troops. Robinson, making a reference to the report conducted by Yashin and Shorina, wrote that this ammunition "must have been coming from Russia." The BBC reported that according to the OSCE observers, some military equipment, like TOS-1 Buratino multiple rocket launchers, that the rebels possessed, were a clear indication that the rebels were supplied by the Russian side.³⁴⁸ NATO leader Jens Stoltenberg directly accused Russia of "arming its proxies" with "weapons, with different kinds of equipment, training, forces."³⁴⁹ Since the-

³⁴⁶ Spaulding, H. (2015). PUTIN'S NEXT OBJECTIVES IN THE UKRAINE CRISIS. *Institute for the Study of War*, 5.

³⁴⁷ Rivera, J. (2014). Understanding and Countering Nation-State Use of Protracted Unconventional Warfare. *Journal Article| October*, 25(11), 15.

³⁴⁸ BBC News. (2015, October 2). Ukraine rebels have powerful new Russian-made rockets - OSCE - BBC News. Retrieved March 27, 2016, from <http://www.bbc.com/news/world-europe-34425454>

³⁴⁹ McLeary, P., & Rawnsley, A. (2015, September 23). Situation Report: Chinese planes, ships, pushing the envelope; Petraeus calls for cruise missiles; everything coming up Norway; and lots more. Retrieved March 27, 2016,

se events took place in September 2015 - after major Western sanctions were implemented - they could serve as a demonstration that sanctions did not in fact deter Russia's foreign policy nor coerced it to desist from aggressive behavior.

Robinson wrote that at the same time as Russia provided indirect military assistance, it was "encouraging a process of state formation in the DPR and LPR" for the purpose of reducing the local leaders' power, replacing them with more cooperative (and accountable to Moscow) warlords who would be influenced to force the rank and files of the rebels to abide by the terms of a future peace resolution. This peace settlement eventually took place on 11-12 February 2015 in Minsk, Belorussia, and it represented the continuation of the previous peace settlement, the Minsk Accords signed on 5 September 2014.^{350 351} Minsk-2 contained military and political agreements, the most important of which were the provisions under which Ukraine was obliged to give political acknowledgment of the two separatist entities, launch constitutional reform (regarding a greater decentralization and the two regions getting a special status), and coordinate these political changes with the "representatives of those districts." Nowhere in the document was it mentioned that the "LNR" and "DNR" were not a part of the Ukrainian state - and it demonstrated the fact that Russia's foreign policy goals did not include creating a greater degree of instability than already existed. The way Bershidsky put it, Putin "does not want overt control of this or any neighboring country, just political and economic influence. In Ukraine, he wants to

from <http://foreignpolicy.com/2015/09/23/situation-report-chinese-planes-ships-pushing-envelope-petraeus-cruise-missiles-everything-coming-up-norway/>

³⁵⁰ TASS News Agency. (2014, September 7). OSCE makes public protocol of Minsk agreement of Contact Group for Ukraine. Retrieved March 27, 2016, from <http://tass.ru/en/world/748479>

³⁵¹ BBC News - Europe. (2015, February 12). Ukraine ceasefire: New Minsk agreement key points - BBC News. Retrieved March 27, 2016, from <http://www.bbc.com/news/world-europe-31436513>

cripple the country enough that the West will be wary of taking it in, integrating it into European institutions.”³⁵²

Because the Kremlin effectively threatened and coerced the separatists’ leaders to accept the Minsk-II provisions, for Robinson, it was an indication that the Russian government was determined to not “encourage further military offensives, but rather the opposite.” Perhaps the sanctions played their intended role, but the deal can also be interpreted in different ways: some, such as Shamir, believed that Russia “would prefer to see Ukraine united, federal, peaceful and prosperous”, and therefore Russia took steps to make this possible.³⁵³ Others, like Blank, considered the agreement as “an invitation to Ukraine's state suicide” for it empowered the rebels’ positions at the expense of the Ukrainian government.³⁵⁴ Another group of scholars, like Fergusson, suggested that although some details of the deal are “highly advantageous to the Russians”, it can have a double meaning that symbolize either a road of genuine peace or an appeasement that will not last for long.³⁵⁵ What is certain is that it helped to reduce the violence dramatically, and its consequences will be further exposed next.

The fourth stage of Russia’s intervention in Ukraine was the period from March 2015 to the present, which involved, according to Robinson, continued Russian support for the rebels, occasional interaction between the Russian and Ukrainian troops, as well as Russia’s delivery of some sophisticated rocket systems to the rebel-controlled territory. Some, such as Urban claimed that Russia’s direct military involvement at that period can (at least partially) be proved by the

³⁵² Bershidsky, L. (2016, February 22). Why Russia Stopped at Crimea. Retrieved March 27, 2016, from <http://www.bloombergsview.com/articles/2016-02-22/why-russia-stopped-at-crimea>

³⁵³ Shamir, I. (2015, February 6). Ukraine: Vladimir Putin Prefers a “Bad Peace”. Retrieved January 25, 2016, from <http://www.globalresearch.ca/ukraine-vladimir-putin-prefers-a-bad-peace/5429603>

³⁵⁴ Blank, S. (2015, May 15). Don't Blame the Victim: European leaders shouldn't pressure Ukraine to uphold a ceasefire agreement Russia has repeatedly violated. Retrieved March 27, 2016, from <http://www.usnews.com/opinion/blogs/world-report/2015/05/15/the-eus-craven-appeasement-of-russia>

³⁵⁵ Ferguson, N. (2015, February 13). The meaning of the Minsk agreement - FT.com. Retrieved March 27, 2016, from <http://www.ft.com/intl/cms/s/0/3a1b3ab0-b371-11e4-9449-00144feab7de.html#axzz447nVBE9J>

US and NATO intelligence information, “analysis of freely available satellite imagery by citizen journalists”, local journalists’ reports, and by analyzing Russia’s mass and social media sources.³⁵⁶ Robinson asserted that Russia continued its policy of securing senior officer positions by helping the rebels to “consolidate their forces into a new corps structure”. The scope of this involvement is unclear, but the US General Ben Hodges reported on March 3, 2015 that the US military assessed the number of Russian troops in the region as “roughly 12,000 soldiers”.³⁵⁷ Russian MP Viktor Savarsin explained that suggestion by saying that "Anyone who has left the army or who is on vacation can go where they want. It's a fact that there are officers and soldiers who have gone there and who have participated in battles, and we are not hiding this fact."³⁵⁸ Nevertheless, these “volunteers” or “curators”, as explained by Robinson, were capable of “expanding Russia’s control over the rebels” and even coercing them to desist from resorting to violence - as dictated by the Minsk-II ceasefire agreement. Since the Russian government denies any involvement of its armed regiments, and reports indicate that Russia-affiliated armed formations have in fact operated to bring the rebels’ behaviour in line, it would not be a far-fetched idea to suggest that perhaps the Russian leadership was indeed striving to restore peace in Ukraine, to implement the Minsk-II resolutions, and to bring the crippling economic sanctions to an end. Otherwise, the scope of armed interactions would have been at much higher levels and President Putin would not have demonstrated that he was “genuinely ready to compromise” by

³⁵⁶ Urban, M. (2015, March 10). How many Russians are fighting in Ukraine? - BBC News. Retrieved March 27, 2016, from <http://www.bbc.com/news/world-europe-31794523>

³⁵⁷ Ernst, D. (2015, March 4). 12K Russian soldiers in Ukraine, U.S. commander says. Retrieved March 27, 2016, from <http://www.washingtontimes.com/news/2015/mar/4/12k-russian-soldiers-ukraine-ben-hodges-us-army-eu/>

³⁵⁸ Bushuev, M. (2015, March 4). Evidence mounting of Russian troops in Ukraine | Europe | DW.COM | 04.03.2015. Retrieved March 27, 2016, from <http://www.dw.com/en/evidence-mounting-of-russian-troops-in-ukraine/a-18294255>

“appointing two close associates to negotiate the implementation of a stalled peace settlement.”³⁵⁹

Indeed, Robinson specified a number of events that demonstrated the Moscow’s willingness to restore law and order in the rebel-controlled territories: the starting point was the declaration by the separatist leader Tsarev in 20 May 2015 that the New Russia project was “frozen” in apparent compliance with the Minsk peace accord.³⁶⁰ It is hard to disagree with Robinson’s suggestion that such an announcement would not have happened had it not been approved (or enforced) by the Russian government. The researcher also stipulated that the aforementioned decision marked Russia’s desire to operate within the legal boundaries of the Minsk-II accords and therefore abrogate its theoretical plans of creating a “land bridge” to Crimea. Also, the significance of the October 2, 2015 “Normandy Four” summit in Paris was demonstrated by the fact that they represented “further steps in the implementation of the “Minsk-II” agreement.”³⁶¹ Moreover, as a result of it President Putin promised that Russia will “give an order to discuss these issues with DNR and LNR representatives” regarding the postponing of the local elections in order to follow the Minsk-II accords.

The self-proclaimed “republics” agreed to move their elections to 2016, indicating Russia’s intent to make “Donbass remain within Ukraine with some degree of autonomy” while maintaining the communication between the rebels and the federal centre.³⁶² The researcher af-

³⁵⁹ Editorial Board. (2015, February 5). Is Mr. Putin serious about making peace in Ukraine? Retrieved March 27, 2016, from https://www.washingtonpost.com/opinions/is-mr-putin-serious-about-making-peace-in-ukraine/2016/02/05/23fc56-c532-11e5-8965-0607e0e265ce_story.html

³⁶⁰ Sindelar, D. (2015, May 21). Out With A Whimper: Novorossia, 2014-2015. Retrieved March 27, 2016, from <http://www.rferl.org/content/death-of-novorossia/27029267.html>

³⁶¹ Pakhomov, N. (2015, September 25). Why the 'Normandy Four' Summit Is a Big Deal for Ukraine. Retrieved March 27, 2016, from <http://nationalinterest.org/feature/why-the-normandy-four-summit-big-deal-ukraine-13930?page=1>

³⁶² Robinson, P. (2016). Russia's role in the war in Donbass, and the threat to European security. *European Politics and Society*, 20.

firmed that these goals have not changed since the beginning of the crisis in the east of Ukraine - therefore, it could be said that Moscow either pursued that line for fear of aggravating the sanctions' impact, or that it genuinely intended to settle a peace in the neighbouring country by forcing the Kiev government to initiate the constitutional reforms.³⁶³ However, Bovt saw it as a sign of a long-term game designed to "raise the stakes, forcing Russia's international partners to wonder what the Kremlin schemers are up to and what their next stunt would be" to achieve the continuation of Moscow's agenda via diplomatic means.³⁶⁴ Nevertheless, the scope of violence has been drastically reduced and Russia has played a significant role in that reduction. Whether this is despite or because of the Western sanctions, it is hard to tell.

1.5. The issue of domestic rivalry between the Kremlin clans.

I would like to draw the attention to one peculiarity of how Russian foreign policy is made, which is best described as the spheres of influence within the Kremlin itself. Perhaps, to certain extent it can be compared to the similar rivalry in the Dutch Republic in the XVII-XVIII centuries, with each group heavily influencing the state's foreign agenda, and trying to shape it in their own image.³⁶⁵

This notion of domestic rivalry in the upper echelons of the Russian politics is no new thing: literature abounds with it. Nadein observed that starting with the fall of the "ancien regime" and the emergence of the Bolshevik state, the antagonism between various inter-Kremlin factions has been at the heart of Soviet-Russian politics, and given the unprecedented amount of

³⁶³Russia Today. (2016, February 13). Lavrov urges constitutional reform in Ukraine at 'Normandy-4' meeting in Munich. Retrieved March 27, 2016, from <https://www.rt.com/news/332371-lavrov-munich-ukraine-normandy/>

³⁶⁴ Bovt, G. (2015, October 13). Putin's Tactical Gambles Are Paying Off (Op-Ed) | Opinion. Retrieved March 27, 2016, from <http://www.themoscowtimes.com/opinion/article/putins-tactical-gambles-are-paying-off-op-ed/538873.html>

³⁶⁵ Thurman, M. D. (2001). The Nature of Nations. The Dutch Challenge to Modernisation Accounts of National Identity. *Extraordinary Times*, 1-17.

pressure that the Russian state has to deal with today, the enmity between these groups has never been higher.³⁶⁶ During the Senate hearing on July 29, 2014, the US Ambassador to Russia John Tefft promised that his intentions will involve “paying acute attention to the rivalry between ‘the modernizers’ and ‘the nationalists’ that draw Russia back.”³⁶⁷

In its 2014 research report, Minchenko Consulting group designated four informal “elite clans” that represent the modern Russian “Politburo” where President Putin serves as the “supreme arbiter and the most influential person.” The first group is called “The juridical-power block”, or “siloviki” - meaning security or military officers headed by S. Shoigu, I. Sechin and S. Chemezov. The second group is labeled as “The political bloc” that includes high-ranking domestic policy operatives and administered by D. Peskov, A. Gromov, A. Kudrin and Patriarch Kirill. The third group is tagged as “The business bloc” - it is overwhelmingly represented by the post-Soviet and new oligarchy, with R. Abramovitch, A. Miller and A. Friedman playing the leading roles. The fourth group is classified as “The technical bloc”, headed by the current ministers, and whose main concern is the country’s management and governance.³⁶⁸ Simoyanov (2013), however, presented a more narrow and perhaps more accurate categorization, writing about two power categories: “siloviki-statists” who mistrust democracy and democratic institutions and who embrace trade mercantilism, anti-Western and anti-American sentiments, patriotism, centralization of power, and strong government; and their chief rivals (at least the way it is portrayed for the public) - “liberals” who favour free trade, de-regulation, privatization, pro-

³⁶⁶ Nadein, V. (2015, December 17). Bunt Kremlevskih bashen (Kremlin Towers' Riot). Retrieved February 11, 2016.

³⁶⁷ Bratersky, A. (2016, January 31). Bogataya kritika Putina (Putin's rich criticism). Retrieved February 27, 2016, from http://www.gazeta.ru/politics/2016/01/31_a_8050139.shtml

³⁶⁸ Minchenko Consulting. (2015, December 03). Doklad Minchenko "Konsalting": "Politburo 2.0" i "Siriisky Gambit" ("Minchenko Consulting report: Politburo 2.0 and the Syrian gambit" Retrieved March 27, 2016, from http://minchenko.ru/analitika/analitika_57.html

Western and pro-American foreign policy as well as greater domestic liberties.³⁶⁹ Piontkovsky opined that given the intensity of the situation and enormous economic and political pressure exerted by President Putin's foreign policy, "statists" and "liberals" subsumed smaller factions to boost their own positions and advance the common interests.³⁷⁰ Zubov wrote that the war in Donbass "ceased the Kremlin to be united" and each of its "towers" - groups of interest - have clashed in the fiercest battle ever known.³⁷¹

The question arises whether this invisible domestic struggle is indeed authentic. On the one hand, the information in this chapter automatically suggests that due to the different political and business interests these camps operate in a hostile environment. Some theorists like Jensen suggested that the Crimea annexation was the idea of "siloviks", and since their vision of the aggressive foreign policy is supported by the President himself, their influence has greatly increased as a result.³⁷² On the other hand, there is solid evidence to postulate that in reality there are no drastic, fundamental disagreements with the rivalling camps. There are no profound differences because, according to Solovey, all elite groups agree on core principles: the current Ukrainian crisis threatens the country's stability; the broad Western alliance strives to implement

³⁶⁹ Minchenko Consulting. (2015, December 03). Doklad Minchenko "Konsalting": "Politburo 2.0" i "Siriisky Gambit" ("Minchenko Consulting report: Politburo 2.0 and the Syrian gambit" Retrieved March 27, 2016, from http://minchenko.ru/analitika/analitika_57.html

³⁷⁰ Stepanenko, V. (2015, June 8). Surkov v Donbasse i igra Kremlevskiyh bashen (Surkov in Donbass and the Kremlin towers' game). Retrieved March 27, 2016, from <http://nv.ua/publications/surkov-v-donbasse-i-igra-kremlevskih-bashen--52506.html>

³⁷¹ Stepanenko, V. (2015, June 8). Surkov v Donbasse i igra Kremlevskiyh bashen (Surkov in Donbass and the Kremlin towers' game). Retrieved March 27, 2016, from <http://nv.ua/publications/surkov-v-donbasse-i-igra-kremlevskih-bashen--52506.html>

³⁷² Jensen, D. (2014, October 16). Pobeda Silovikov? (Siloviki's victory?). Retrieved March 27, 2016, from <http://imrussia.org/ru/%D0%B0%D0%BD%D0%B0%D0%BB%D0%B8%D1%82%D0%B8%D0%BA%D0%B0/%D0%BC%D0%B8%D1%80/2051-%D0%BF%D0%BE%D0%B1%D0%B5%D0%B4%D0%B0-%D1%81%D0%B8%D0%BB%D0%BE%D0%B2%D0%B8%D0%BA%D0%BE%D0%B2>

regime change policies in Russia and therefore the stand-off with the Western world is inescapable.³⁷³

“One of the most popular political myths these days suggests that there’s an ideological struggle in Putin’s entourage, that of so-called liberals and siloviks,” wrote Pionkovsky. “There is no philosophical struggle there! The upper echelons of the Russian elites are cemented by a moral-political unity, which certainly, however, does not rule out personal and group fighting over financial flows,” concluded the author.³⁷⁴ Simoyanov supports that conclusion, suggesting a symbiotic and mutually beneficial relationship between the two “rivalling” groups: “liberals” usurped the economic and social governance of the country, making it easier for the ruling clans to reap their rewards; while “siloviks” suppress occasional or visible dissent. No matter how hostile the Kremlin interests groups are to each other, affirmed the author, “they will always share the common ground” with regard to power governance and its assertion.³⁷⁵

Taking into account these facts, it would not be unreasonable to suggest that the logic behind Western economic sanctions, designed to sow turmoil and discontent among the members of the upper tier of the Russian government, did not work. The Russian ruling elites operate in a paradigm where the sanctions’ possible impact is simply not taken into account; they are far more concerned with their own domestic political survival and inner power struggle to be distracted or bothered by external economic limitations.

³⁷³ Goble, P. (2016, February 14). Window on Eurasia -- New Series. Retrieved March 27, 2016, from <http://windowoneurasia2.blogspot.ca/2016/02/solovey-on-what-russian-elites-agree-on.html>

³⁷⁴ Pionkovsky, A. (2011, Fall). Tretiy Put K Rabstvy (A third way to slavery). Retrieved March 27, 2016, from <http://rusolidarnost.ru/files/Road-to-Slavery.pdf>

³⁷⁵ Minchenko Consulting. (2015, December 03). Doklad Minchenko "Konsalting": "Politburo 2.0" i "Siriisky Gambit" ("Minchenko Consulting report: Politburo 2.0 and the Syrian gambit" Retrieved March 27, 2016, from http://minchenko.ru/analitika/analitika_57.html

According to “Levada-center” polling company, 89% of the Russian people approved the annexation of Crimea. Latest opinion polls conducted by the same company show that this number has reduced to 82%.³⁷⁶ At the same time, 84% of the Russians trust the Armed Forces and 88% of them put a great deal of trust personally in Defence Minister S. Shoigu.³⁷⁷ Foreign Minister S. Lavrov is more popular than Prime Minister D. Medvedev.³⁷⁸ As a result, the current status-quo favours the “siloviks” enormously and provides them with the popular mandate to continue current foreign policy. Moreover, the overwhelming number of the Russian people favour heavy defence spending and the government’s decisions to use military power “as a part of preserving the sense of “stability” and the country’s status of a Great Power that is capable of projecting military and geopolitical might.”³⁷⁹

Therefore, the notion that economic sanctions may compel the Russian people to pressure the government to change the foreign policy agenda is simply invalid, for available evidence suggests that sanctions only strengthen the people’s trust in the Armed Forces and in the people responsible for the country’s geopolitical actions. In fact, it is plausible to suggest that the sanctions regime diminishes the chances of the “government liberals” to successfully tilt the balance of power in their favour in the face of such a broad opposition from the elites and population alike. The current evidence supports this claim.

1.6. Conclusion to the fourth chapter.

³⁷⁶ Eggert, K. (2016, March 16). I tselovo Krima malo (Crimea is not enough). Retrieved March 27, 2016, from <http://www.dw.com/ru/комментарий-и-целого-крыма-мало/a-19119411>

³⁷⁷ VTSIOM: Pochti 90% Rossiyan doveryaut Shoigu (VTSIOM: Almost 90% of Russians trust Shoigu). (2016, February 18). Retrieved March 27, 2016, from <http://tass.ru/politika/267790>

³⁷⁸ Zatchem Lavrov vishe Medvedeva v reitinge doveriya (Why does Lavrov surpass Medvedev in the trust poll?). (2015, December 25). Retrieved March 27, 2016, from http://www.ng.ru/editorial/2015-12-25/2_red.html

³⁷⁹ Kolesnikov, A. (2016, March 21). Hotyat li russkie vojny - vojna i terror v vospriyatii rossiyan. (Do the Russians want war? War and terror the way Russians perceive it). Retrieved March 27, 2016, from <http://www.levada.ru/2016/03/23/hotyat-li-russkie-vojny-vojna-i-terror-v-vospriyatii-rossiyan/>

Keeping in mind several peculiarities, one can now draw conclusions. On the one hand, it can be said that the sanctions were so effective in their punitive impact on the ruling classes that they translated into the Russian government's willingness to shift its foreign policy in Ukraine from openly deploying and sending its troops to indirect and clandestine arms support. Indeed, it was the sanctions that forced the Russian government to "influence" the rebels and coerce them into de-facto accepting the Minsk I and II accords. And it is because of the threat of the sanctions' continuation that the Russian government is still trying to contain the rebels, replace their leadership with 'moderates' and minimize the degree of the military confrontation in general.

On the other hand, there is a point of view that states that sanctions were not decisive in their effectiveness and they did not influence Russia in any way because the country was willing to continue its foreign policy agenda despite any foreign obstacles: the Kremlin elites were united in their determination to resort to military options, for they thought it best suited Russia's geopolitical interests. Perhaps, Russia's foreign policy actions were even consistent with its political, and not military goals, and therefore sanctions were simply irrelevant in that context. "... Rather than trying to force Ukraine to grant Donbass autonomy in order to destabilize Ukraine, Russia's pursuit of such autonomy reflects a belief that a stable order can only be restored in Ukraine if the interests of those who opposed the Maidan revolution are taken into account," wrote Robinson. Therefore, the author suggested that Russia's military actions were aimed at forcing the Ukrainian government to enter a political dialog with rebels for a positive and peaceful outcome. All of that information indicates that it is impossible to come to a definitive conclusion due to the lack of data regarding Russian domestic power politics and the government's decision-making process, a lack which restricts our theoretical findings to mere speculations which may or may not be reflective of reality.

Chapter V.

Final conclusion.

The main goal of this thesis was to assess the influence of Western economic sanctions on Russia's foreign policy in order to determine whether the West has achieved its goals. At the beginning of this work, it was postulated that economic sanctions only work in certain conditions. By studying past cases and the current crisis in the east of Ukraine, I have been able to make several determinations - positive and negative - related to my research goal.

For the purpose of understanding whether Western sanctions against Russia will meet with success, I resorted to a historical analysis of case studies in the first two chapters. This analysis let me delve into the broader theoretical context of the tool of economic sanctions, and I then outlined the core elements that economic sanctions usually manifest in practice. Next, I applied that material to the case of Russia, taking Russia's political and historic peculiarities into account. The last two chapters of my work were of a different character, with current events playing a leading role in my research. I described the history of the Russian-Ukrainian confrontation, followed by a description of the Western actions that were taken to defuse the hostilities between the warring parties, coerce Russia to desist from intervening in Ukraine, and ultimately put an end to the bloodshed. The last chapter was dedicated to Russia's foreign policy in order to estimate the ways that it has been influenced by the Western sanctions throughout the conflict. In order to determine whether the economic sanctions against Russia succeeded, it is necessary to make a few crucial observations. Past case studies demonstrated that sanctions take several forms, inducing targeted, sectoral, and full trade and financial restrictions. Sanctions can be directed at a limited upper tier of a country's leadership, or they can be broader, striving to target military and single party regimes. In Russia's case, sanctions have been directed at all of these

institutions.

Sanctions' effectiveness varies from one case to another: according to some political scientists specializing in this area, sanctions can be effective provided that they meet certain requirements. These requirements first and foremost include political prudence and a *realpolitik* assessment of each individual case - and Russia is no exception. This thesis has shown that sanctions are far more likely to succeed against a weak country, especially if they are implemented swiftly and decisively, than they are against a strong country, especially if implemented incrementally. In addition, sanctions should be enacted in a way that would prevent a sanctioned country from escaping punitive costs. In the case of the current Western sanctions against Russia, these criteria have not been met, as the sanctions have been imposed incrementally against a relatively strong country.

Some analysts have suggested that economic sanctions are not always the best way to achieve the desired coercive effect, since they can be either exploited by authoritarian governments to rally the aggrieved populace around the ruling regime or government, or can be ignored altogether by governments that are ready to absorb high economic damage to pursue their agenda. This thesis has produced some evidence to show that both of these things may have happened in the case of Russia.

Researchers have discovered that the success of regime change depends on many factors: a country's cultural, economic and political traditions; presence of active and respectable opposition forces ready to step in; and the ruling regime's own vulnerabilities. In the first chapter (section 1.3 "The effectiveness of economic sanctions"), four cornerstone principles and seven recommendations were listed. Some of them overlap each other, and it was postulated that their ful-

fillment would maximize the economic sanctions' impact. I believe that it is important to assess these theoretical conditions to estimate whether they were present in this case.

First, the stipulation that the sanctioning country should give prominence to “reasonable and modest goals” was met only partially. The demand that Russia cease and desist from providing military assistance to the rebel forces was rather reasonable, and the threat of sanctions forced Russia to shift its support from direct military assistance to exerting political pressure on the rebels to change their actions. However, the matter of the Crimean Peninsula is clearly an issue on which Russia cannot compromise for political and domestic reasons.

Second, the prerequisite that the sanctions work most effectively against “smaller, economically weak and politically unstable” countries was not met, because as a major power on the world arena, Russia is neither small, nor weak, nor politically unstable. Russia faces plenty of challenges, but its overall levels of development and internal stability effectively render the aforementioned condition void.

Third, the specification that economic sanctions work best when imposed “swiftly and firmly” among similar-minded powers was met partially. Economic sanctions against Russia were introduced gradually over time, ranging from measures taken against specific individuals in the Russian government to specific vulnerable economic sectors. However, because the Western measures were not instantaneous but continuous, they allowed the affected individuals, state companies and private businesses to find ways to diversify their modus operandi and partially minimize the damages caused by sanctions.

Fourth, the precondition that the sanctioning countries should aim to avoid “backfiring high political and economic costs”, both domestic and foreign, was partially met as well. For example, extensive trade and business connections between Western Europe and Russia hamstringing

and diminish bilateral links, causing domestic pressure on the governments in countries with extensive business interests in Russia such as Italy, Germany and France, not to mention countries of East Europe. Cooperation is essential for sanctions to be successful, but trade interests often serve as an impediment to these goals.

Fifth, even though Russia can be regarded as an important and close trading partner, the country is far from being considered as a “friend” – a condition that would otherwise empower the effect of sanctions.

Sixth, it was postulated that sanctions are less effective against autocratic regimes because they are less vulnerable to economic pressures and can sustain, suppress or even ignore the weight of public discontent. The Russian case demonstrated exactly that, with the country not only being defiant in the face of sanctions, but also vowing to overcome and reduce their punitive impact in the long run.

Seventh, the condition that sanctions work best provided that the most appropriate tools have been chosen wasn't exactly fulfilled in the Russian scenario, for the sanctioning countries face the problem of finding the most appropriate classification of the Russian system. Since it is unclear how all Russian political actors come together to produce results, and which actors are more important (and consequently, vulnerable) than the others, there is a theoretical and political vacuum that makes the tool of sanctions operate in the “fog of war.” The reasons for this lack of clarity will be discussed below.

Eighth, it was specified that the sanctioning countries should share the burden of economic hardship not just among the domestic constituencies, but among the allies themselves to maintain the acceptable levels of unity and public support. In case of Russia, I believe it would be appropriate to say that the difference in the economic development of Russia and the sanctioning

countries is so vast that the pressure created by the Western businesses' inability to cooperate with the Russian side was not acute enough to become a subject of a widespread popular discontent. That is not to say that certain domestic elements were not hurt – quite the contrary, as evidenced in case of German and Italian manufacturers – but the overall pressure has never reached a critical point to become a real issue for both these countries' governments and societies.

To sum up, perhaps the most glaring implication of this work's findings for theoretical literature is that it exposes its research inadequacies. Unlike the lion's share of cases studied by political scientists and economic researchers, which used to be concentrated on countries whose size and levels of economic development ranged from small to medium, the case of Russia opens a new chapter in the research literature for many reasons. It is a former superpower; greatly weakened after the fall of the Soviet Union but still formidable and competitive on the world stage, and the research literature has never had to deal with similar cases. The Russian study is also unique in a way that it involves various cultural, historical and ideological underpinnings which are largely ignored by theorists who usually operate in mostly geo-political or political domains. Overall, the case of Russia has the potential to usher a new era in the research field by making political theorists take into account other factors that transcend political and economic reasons.

It has been stated that the realities of the 21st century have rendered the mechanism of sanctions futile, for it is impossible to achieve the aforementioned goal without a full-scale military intervention and a massive, as in case of the 2003 Iraq war, nation-building program afterwards. Unless the hostile country is very vulnerable to external pressures, it may be well nigh impossible to make foreign political and economic coercion influence another country's military actions. Successful and prolonged political and economic pressures can bring about the same results with

regard to some marginalized former colonial states, as in case of Libya, but, according to some analysts, they are essentially useless when it comes to middle and highly-developed nations, such as Russia, which have strong human and scientific potential, as well as determined leadership.

Looking at Russia, it is clear that the prerequisites for success are not fully present. For example, the sheer size of Russia's economy and global outreach - an impediment for sanctions' success in itself - as well as diversified trading and communication routes, have allowed the country to reduce punitive costs and compensate for lost opportunities, at least to a significant extent, by turning to the Asian-Pacific region. Historic and even civilizational traits of the country have allowed the government to absorb the costs and rally the populace around the leader - precisely the backfiring effect that sanctions theorists were warning about. Russia's willful resilience to sanctions is rooted in the historic and geopolitical factors that result in Russia regarding opposition to Western (most notably, NATO) expansion in its 'near abroad' to be a vital national interest. For that reason alone, the country is prepared to absorb a significant amount of negative effects created by the sanctions regime. Some political scientists have asserted that successful democratic reforms in Ukraine would have served as a highly destabilizing example for Russia, therefore possibly triggering demands for democratic reforms in Russia as well. Because of this, Russia's involvement in Ukraine has reflected important interests of the Russian government, which sanctions have not been enough to deter.

It is undoubtedly clear that after the sanctions were imposed, Russia's economic performance declined rapidly: the Russian rouble has lost 50% of its value against the US dollar since the Russian-Ukrainian conflict arose; higher food and commodities prices have ensued, and the country's GDP shrank by almost 4 %, with inflation reaching 13%. Sanctions reduced the rate of foreign direct investments, cut off Russian banks' ability to access long-term financial options

provided by the Western financial institutions, and both citizens' disposable income and federal budget income were diminished significantly. It is, however, difficult to say whether these facts have influenced the country's foreign policy agenda, largely because it is unknown how much sanctions themselves are responsible for the economic downfall, given that they coincided with a general reduction in oil prices on which Russia's economy is heavily dependent.

It has been shown that regardless of the sanctions' progression, Russia's official rhetoric vis-a-vis Ukraine has not changed, and that in 2016 the government has again affirmed its commitment to a peaceful political resolution. The question of whether the economic sanctions affected Russian government's foreign policy actions is much harder to determine for many reasons, the most important of which is our inability to openly access the Kremlin's decision-making process and the government's motivations behind the scenes. We simply lack sufficient "inside" knowledge to realize what role sanctions played. The current evidence gives a few reasons to suggest that economic sanction perhaps did have a certain impact in persuading Russia to attempt to establish control over the separatist forces to coerce them into cooperation with the Ukrainian government as a part of a peace process. Most importantly, sanctions might have deterred Russia's direct aggression at the time when Ukraine was at its most vulnerable, but when Russia opted for a political resolution instead of a military one.

Therefore, there are considerable reasons to claim that the effect of the Western economic sanctions is quite ambiguous, to say the least. Depending on a reader's ideological and moral preferences, it is entirely possible to give evidence to support two diametrically opposing points of view: one that postulates that Russia's foreign policy agenda was influenced by the Western punitive measures, and another one that says that Russia's external affairs and actions were taken without any consideration for the West's sanctions. The reason why clarity escapes us is because

of the undemocratic nature of Russia's politics as a whole, the lack of accountability and of "responsible government", and the and secretive character of Russia's process of policy decision making in the upper echelons of the country's leadership. Much like in the case of assessing Soviet domestic policy last century, speculations, suggestions, allegations, guesswork and reading between the lines play a lion's share in the analysis of modern Russian politics today. As a result, based on the present evidence (or lack of it), one can claim equally plausibly that the economic and political costs of Western sanctions were so prohibitively high in economic and political terms, that the Russian government had no choice but to desist from further escalation of the conflict, or that establishing political dialog between the separatists and the federal Ukrainian government was the endgame of the Russian government all along and that sanctions have not affected this in the slightest. Were Russian leaders operating in a more democratic and accountable political system, these answers would be much clearer.

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