

THE CRIMEAN ANNEXATION CRISIS AND ITS ECONOMIC CONSEQUENCES: EU SANCTIONS, U.S. SANCTIONS AND IMPACTS ON THE RUSSIAN ECONOMY

Efe SIVIŞ*

Abstract

In March 2014 the Crimean Peninsula -namely the Republic of Crimea and Sevastopol- was annexed from Ukraine, thereby becoming two federal subjects of the Russian Federation. While the Western powers consider the annexation to be illegal, as it breaches the international law and violates territorial sovereignty of Ukraine, the Russian Federation claims that the referendum in which the Crimean population chose to be part of Russia is completely legitimate. Following the annexation of Crimea, the Western powers, including the EU and the U.S. imposed several restrictive measures on Russia in order to influence the Kremlin's foreign policy toward Ukraine. By drawing on the theory of international economic sanctions, this paper seeks to analyse the content and application of sanctions and assesses whether the sanctions succeeded in changing the geopolitical trajectory of the Russian Federation.

Keywords: *Crimea, Annexation, EU Sanctions, Donetsk and Luhansk, International Law.*

KIRIM'IN İLHAKI VE İLHAK'IN EKONOMİK SONUÇLARI: ABD'NİN, AB'NİN YAPTIRIMLARI VE YAPTIRIMLARIN RUSYA'NIN EKONOMİSİ ÜZERİNDEKİ ETKİLERİ

Öz

2014 Mart ayında, Kırım yarımadasının, resmi adıyla Kırım ve Sivastopol Cumhuriyeti'nin ilhak edilmesinin ve Rusya Federasyonu'nun bir parçası haline getirilmesinin ardından Kırım üzerinde bir tarafı Rusya'nın diğer yanda AB ve ABD'nin bulunduğu bir uyuşmazlık süreci başladı. Batılı güçler, ilhakı

* Dr., Fenerbahçe University, Faculty of Economics and Administrative Sciences, Department of Political Science and International Relations, e-mail: efe.sivis@fbu.edu.tr

uluslararası hukukun ve Ukrayna'nın toprak bütünlüğünün ilhakı olarak değerlendirirken, Rusya Kırım'da yapılan referanduma dayanmak suretiyle bölgenin Rusya'nın egemenliğine geçişinin meşru olduğunu savundu. Kırım'ın ilhakının ardından Rusya'ya müzahir güçler, Ukrayna'nın doğu bölgesinde, Donetsk ve Luhansk Oblasts şehirlerinde kontrolü sağladı. Bölgede Rusya'nın dış politikası Ukrayna'nın doğu bölgesinin istikrarsızlaştırılması üzerine kurulurken, AB ve ABD Rusya'ya karşı bir dizi ekonomik yaptırım kararını hayata geçirdi. Bu çalışmada Kırım'ın ilhakının ardından yaşanan süreç ekonomik bir perspektifle değerlendirilmiş, AB'nin uyguladığı ve ABD'nin de katıldığı ekonomik yaptırımlar ve söz konusu yaptırımların Rusya'ya etkileri analiz edilmiştir.

Anahtar Kelimeler: *Kırım, İlhak, AB Ekonomik Yaptırımları, Donetsk ve Luhansk, Uluslararası Hukuk.*

Introduction

During the Cold War, the two major superpowers—the United States (U.S.) and the Soviet Union—challenged each other in every possible way. In the aftermath, unilateralism emerged as the world was left with one centre of power. With the U.S. at the forefront, Western powers sought to impose structure and to preserve peace and stability globally. For many years to come relations between Russia and the West went through various stages, in an effort to find a focal point for cooperation. After the 2007 Security Conference in Munich, however, relations seemed to head in the wrong direction. In his speech, President Putin outlined Russia's political agenda, with the main objective of returning Russia to its position of preeminence respected by the West, and criticized the unipolar world led by the U.S. and accused NATO of expanding to the East (Sospedra, 2018: 4-5).

The geopolitical factors to which President Putin alluded in his speech with reference to NATO play a major role, particularly in Russia's close neighbourhood. NATO has practically pushed Russia out of Europe and is ready to engage in a partnership with several post-Soviet countries (Ukraine, Georgia) formerly considered as Russian allies. Russia, striving to maintain the influence and power it once had during the Soviet period, sought to oppose Western depredations on its neighbours and other regions. The Kremlin blamed Washington for triggering both the Rose and Orange revolutions by supporting opposition forces during 2003 and 2004. From Russia's perspective, the same scenario occurred during the 2014 Ukraine crisis (Lo, 2015: 30). Moreover, the 2014 crisis in Ukraine highlighted an issue which both the U.S. and the European Union (EU) were facing with respect to Russia. By first supporting former president Yanukovich, then annexing Crimea and spurring additional

tensions in south-eastern Ukraine, Moscow gained an upper hand in hampering Kiev's integration into the Euro-Atlantic framework.

Ukraine, therefore, has been a key determinant in the nature of relations between Russia and the West. The annexation of Crimea was the first invasion in recent European history since the end of the WWII and ended in the intentionally provoked civil war in Donbas and Lugansk regions in south-eastern Ukraine. Crimea was reunited with the Russian Empire in 1783, during the reign of Catherine the Great, in the aftermath of the Russo-Turkish war. Subsequently, during the Soviet period, Crimea was recognized as an autonomous republic within the USSR. Prior to 1944, when Crimea was overwhelmingly a Russian populated territory, the peninsula was mostly inhabited by Crimean Tatars. The decisive moment occurred in 1954, when then president Nikita Khrushchev decided to offer Crimean Peninsula to Ukraine as a gift. The rationale for the decision can be found in the official documents of the Communist Party of the Soviet Union (CPSU), according to which "the transfer was a natural overgrowth of the territorial proximity of Crimea to Ukraine, the commonalities of their economies, and the close agricultural and cultural ties between the Crimean oblast and the Ukrainian SSR" (Presidium of the USSR Supreme Soviet, 1954).

Nonetheless, the real impact of the decision was only felt after the fragmentation of the Soviet Union in 1991, which affected not only the Crimean Peninsula but also Ukraine and Russia (Paul, 2015: 1). As a result of the breakup of the Soviet Union, Ukraine and the Russian Federation reached an agreement in 1997, setting out the conditions for Russia to keep the Black Sea Fleet with its base in Sevastopol. Although Russia's lease agreement was due to expire in 2017, in April 2010, the Ukraine's president Yanukovich and Russia's president Medvedev agreed to extend the Russian lease for another 24 years, including a five-year renewal clause (Astrov, 2011: 82). Crimea, therefore, remained strategically important as a base for the Russian navy and continues to be crucial for serving Moscow's interest in the region.

Against this backdrop, this paper aims to assess the implications of the EU and U.S. sanctions on Russia. By drawing on the theory of international economic sanctions, the report explains the nature of sanctions that were imposed on Russia and examines their effectiveness and success in fulfilling Western foreign policy objectives. The research question is: Have Western sanctions succeeded in punishing Russia for its actions in Crimea and, consequently, changing the Kremlin's geopolitical trajectory? The main hypothesis implies that the sanctions are more likely to be successful if applied consistently over a longer period of time. Given the intensity in trade exchange between Russia and the EU, quantitative data related to economic and trade policies primarily of Russia and the EU are analysed. The findings are limited,

however, as the paper does not cover EU-Russia trade relations comprehensively.

Given the extensive nature of the sanctions the West have imposed on Russia and the possible geopolitical implications it brings to the international arena, this topic is timely and important. It may provide useful insight for deepening the discussion on whether sanctions work and whether they should be continued in the same manner. In light of this, the introductory paragraph sets the broad framework and gives a brief overview of Crimean history both within the Russian Empire and as part of Ukraine. The second section builds the theoretical framework that explains the nature of international economic sanctions as an important foreign policy tool, further elaborating on the success rate of the sanctions. The main part of the paper provides the reader with an overview of the annexation of Crimea and the reasons behind it. It also highlights international reactions to the annexation, which resulted in the imposition of sanctions. Particular focus is given to the EU's restrictive measures imposed on Russia and the effects the sanctions had on both the EU and Russia. The final section comprises concluding remarks and also answers the research question.

Theoretical Framework: Economic Sanctions in the International Economy

As the International Relations literature suggests, economic sanctions are a policy tool implemented with the aim of influencing other countries' foreign policy actions or coercing them into achieving the result that favours the country that initially imposed the sanctions. Economic sanctions include, but are not limited to, retaliatory tariffs in trade disputes, embargoes and/or quotas on a number of targeted goods, and asset seizure (Rowe, 2010). Despite being frequently deployed as a policy, economic sanctions do not always succeed in achieving policy objectives, which has led to a debate among international scholars. There are some features to which sanctions or restrictive measures must adhere; for example, they must relate to set of norms and rules, and must be applicable and carry certain negative implications, regardless of whether the power is symbolic or real (Doxey, 1983: 274). Most studies argue that economic sanctions rarely attain their goals, thus raising questions concerning the frequency of their implementation, given the poor success rate. This issue has been explored by many scholars, including but not limited to Galtung (1967), Van Bergeijk (1989), Pape (1997), Baldwin and Page (1998) and Early (2015).

Since the end of the Cold War period, the use of economic sanctions has escalated dramatically. Weiss (1999) proffers three possible reasons: unlike in the Cold War period, states today have bigger interests interfering into internal

affairs, resulting in a change of sovereignty notion among countries and paving the way for international organisations (i.e., the United Nations (UN), the EU) to intervene in the name of human rights. Secondly, the concept of security no longer applies solely to the military but also encompasses socio-economic, humanitarian and environmental facets. Last, but not least, countries refrain from paying the cost of military intervention and rather resort to economic sanctions. According to Galtung (1967), sanctions are actions initiated by one or more international actors (the “senders”) against others (the “receivers”) with either or both of two purposes: to punish the receivers by depriving them of some value and/or make the receivers comply with certain norms the senders deem important. What is more, Galtung insists on the concept of “vulnerability,” as sanctions must put pressure upon a weaker actor in order to be successful. Pape (1997) doubts that economic sanctions could become a reliable alternative to military force and holds that the main reason sanctions fail is due to the non-existence of fragile states among modern countries. Pape claims that the expectation of international cooperation will enhance the impact of sanctions is based on two dubious premises namely, that the greater cooperation only increases the economic punishment, and that the increased punishment will make a state concede.

Furthermore, Baldwin and Page (1998) perceive economic sanctions to on equal footing with other foreign policy instruments, such as coercive diplomacy, propaganda or military operations that represent a constituent part of a broader framework of sanctions that are available to this day. Sanctions are often used as a complementary measure along with other existing diplomatic tools. Kirshner (1998) argues that economic sanctions, which are designed to punish a state and change its behaviour are implemented for additional reasons, one of which is signalling. Sanctions can signal to a friend or foe that the imposer of sanctions will take steps to counter a particular action, as well as it can provide a moral support to opposition groups or serve as a warning to others contemplating similar actions.

The nature and type of sanctions are gradually developing in accordance with a shift in understanding of modern warfare that scarcely includes military intervention but is rather focused on political, financial or diplomatic superiority. In this respect, countries are more likely to use “smart” sanctions that target the financial resources of another country, its business activity or economic restrictions (Smeets, 2018: 2). The use of sanctions by one actor against another can be seen as a struggle for power on the international arena, during which the actor that imposes the sanctions is usually perceived as “strong”, whereas the actor that is being sanctioned bears the connotation of the “weak” one. Although often used by strong actors against weak ones, the

economic sanctions are not only limited to this power ratio as they are put to much wider use (Resiman and Stevick, 1998: 88).

Moreover, Van Bergeijk claims that the imposition of economic sanctions rest on two basic premises. First and foremost, the boycotts and embargoes imposed on the sanctioned country often result in losses in terms of trade and overall profit. Secondly, the idea that disutility influences the victim's behaviour can be traced to the tenets of economic catechism (Van Bergeijk, 1989: 385). Early (2015) posits a theory of sanctions-busting and argues that when sanctioned states forge trade-based sanctions-busting relationships with other countries and are able to increase the foreign aid flows they receive, the sanctions imposed against them will rarely ever be effective. In such cases, political motivation is usually the trigger. Hovi, Huseby and Sprinz (2005) identify three different possible outcomes involving sanctions in situations where both actors behave rationally. The first entails the failure of the sanctions because the target does not deem the action credible enough. In the second scenario, failure is also a possibility but this time because the recipient views the sanctions as not sufficiently potent, perceiving them as a lesser evil than succumbing to sender's demands. Last but not least, a threat of sanctions might fail because the target expects the sanctions to be imposed whether or not the recipient yields to the sender's demands.

Lacy and Niou (2004), however, argue that a realistic theory of economic sanctions should be understood as a game of issue linkage, in which the actors involved are not necessarily aware of the other actors' stake in the game but where the act of threatening to impose the sanctions is as important as the actual imposition of sanctions. Solely the target's belief that the imposing actor is about to implement sanctions is enough for the target to comply with these sanctions (Lacy and Niou, 2004: 38). Although economic sanctions are seen as a game between "the coercer" and the "target," the rate of success is still very limited and depends on various factors. Sanctions are less likely to garner positive results when both the ambition and the desired changes are higher. Even in cases where sanctions are approved by a group of powerful countries or backed by the UN, the international body with the highest degree of legitimacy, the success of sanctions is not guaranteed (Smeets, 2018: 3).

While recognizing that the traditional view of sanctions rests on instrumental theory, which posits that the actual objective for the imposition of sanctions is to effect policy change in the sanctioned economy by doing the severest possible economic harm, Kaemper and Lowenberg (1988) propose another way of looking at the ultimate goal of economic sanctions. According to them, sanctions are imposed to serve an altogether different interest—that of pressure groups in the country. Even sanctions that have little economic impact in the recipient country can induce the desired political response when deployed

with the aim of targeting particular pressure groups or single-interest groups (Kaempfer and Lowenberg, 1988: 786). Moreover, if the sanctions are implemented with the aim of bringing about political and/or democratic changes that are not aligned with the interests of elite groups, success will be questionable as these interest groups might stymie the enforcement of the sanctions (Jentleson, 2000: 136). Political and diplomatic sanctions, therefore, seek to change political behaviour and are introduced for non-economic purposes. As such, sanctions of this type are usually imposed to prevent the occurrence of situations where, due to the economic relations between the countries in question, sanctions affect not only the sanctioned country but also the country that triggered the process and imposed the sanctions. Even though this paper addresses economic sanctions, the political background of such sanctions is crucial for understanding the nature and the scope of economic retaliatory measures.

In more general terms, the majority of studies dealing with EU sanctions focus on Yugoslavia, and an earlier period. In this regard, De Neilly (2003) sees the imposition of sanctions on Serbia as the EU's attempt to conduct real and effective foreign policy, whereas De Vries (2002) discusses the nature of targeted and non-targeted sanctions on Serbia, Kosovo and Montenegro. De Wilde d'Estmael (1998), however, emphasises that the EU did not impose sanctions autonomously for the first time on Serbia, but that the first sanctions regime was implemented through the European Community in the 1980s, following the Soviet invasion of Afghanistan. What is more, in her study "European Union Sanctions and Foreign Policy: When and Why do They Work", Portela (2010) explains that sanctions regimes originally imposed through the EU always correlated with the implementation of the UN Security Council measures, and were closely intertwined with UN practices. The imposition of EU sanctions has substantially increased over the past decade, implying the changing geopolitical environment and EU's efforts to pursue a more determined foreign policy, usually with the 'green light' from the U.S.

Both contemporary scholars and those who studied sanctions long before the imposition of Western sanctions on Russia came about bring an analysis which confirms that the durability of sanctions affects their success. Neuenkirchn and Neumeier (2015) hold that the longer the target state's government can withstand the economic and political pressure associated with economic sanctions, the lower the expectations that the sanctions would actually trigger the desired changes in the target's political and social environment. This implies that with the passage of time, the target country may adapt to the new economic reality and reduce the economic costs of the sanctions. Brunat (2016) explains that the embargo on Russia only worsens the situation since in case of a longer economic war between the West and Russia, the European countries

would pay a higher price, taking into account the prices in the energy sector as well as agricultural exports and European agro-food. Kholodilin and NetSunajev (2016) went a step further by analysing the impact of Western sanctions on both European and Russian economies and concluded that the sanctions implemented by Western countries and Russia against each other exert an impact on the aggregate economic activity in both regions. In addition, Bonetti (1998) postulates that a third country, neither the sender nor the target, can play a mitigating role in easing impact and influencing the success rate of sanctions. Russia's case seems to substantiate this argument. According to Gould-Davies (2018), Russia responded to sanctions in four different ways: adaptation, evasion, avoidance and retaliation, using policies and resources to limit the impact of the sanctions, inducing Western companies to violate sanctions, seeking ways to mitigate sanctions by finding other partners (namely China) to replace Western ones, and proposing counter-sanctions to punish the West, respectively.

Historical Background and Examples from Cold War Era

Economic Sanctions: Examples from the Cold War Era

The Soviet Union sought to impose economic sanctions with the aim of keeping its disobedient allies in check, especially after the World War II. The U.S., on the other hand, being the most powerful political and military country, aimed at deploying economic sanctions for a vast array of goals (Hufbauer et al., 2007: 126-128). During the Cold War period, most Western trade sanctions aimed at the Soviet Union were intended to prevent the flow of technology to the Soviets or punish the Soviet Union for executing their foreign policy objectives abroad. In 1980, under President Carter, the United States imposed an embargo due to the Soviet Union's invasion of Afghanistan in 1979. The embargo was designed to hurt the Soviet Union's industrial modernization efforts in the hope of persuading it to withdraw its military troops from Afghanistan and to demonstrate that the United States would not idly stand by when such military intervention occurs (Flowe Jr. 1980: 555). Although mainly targeted at the grain embargo, the sanctions did not have much effect as Soviets found alternative ways to receive grains.

Another episode revolved around the development of the Siberia pipeline which was intended to supply Western Europe with gas. As for the Soviets, the construction of the West Siberian gas pipeline was never aimed at achieving solely economic objectives but rather focused on domestic political and social goals. Against the backdrop of slow economic progress and social disparities in the Soviet Union, the Siberia pipeline served propaganda purposes—demonstrating all the might of the communist project and, at the same time, seeking to impress the population (Perovic, 2017: 24). Consequently, in the

early 1980s, in fear of dependence on Soviet natural gas which would lead to the Soviets gaining political leverage in Europe, the Reagan administration decided to impose economic sanctions, designed to halt the construction of the gas pipeline to Western Europe. This politically orchestrated move was negatively received by the targeted Western European countries as they saw it as an attempt to interfere in their domestic affairs and resulted in a severe setback in transatlantic relations.

It was then that the U.S. realised that imposing sanctions in the gas sector would be too costly for their European counterparts, a narrative which would continue to the present day. Moreover, Europe today is even more dependent on Russia's energy supplies than it was during the Cold War. Fifteen EU Member States are reliant on Russia for more than half of their gas supplies (Korteweg, 2018: 7). This explains, to a large extent, why the energy trade is not even considered for inclusion in the Crimean sanctions regime by both the U.S. and the European Union.

Following the dissolution of the Soviet Union, ex-Soviet republics, with Russia at the forefront, started their transition towards market economy and Western-style democracy, thus facilitating their integration into Western economic and political landscape. This not only increased bilateral trade between ex-Soviet republics and Western countries but also contributed to the advancement of U.S.-Russia cooperation (Doraev, 2015: 364). Cooling down bilateral relations has not, however, prevented a contemporary round of sanctions. The most recent set of economic sanctions imposed on Russia, resulting from the 2013-2014 Ukraine crisis and the annexation of Crimea, is reflective of the Cold War period with one nuance that should be kept in mind-contemporary sanctions are much more complex and rigid than any other measures previously put in place.

Political View of the Region before the Annexation of Crimea

On 21 November 2013, the former president of Ukraine, Viktor Yanukovich, publicly announced the halt of preparations for the implementation of the Association Agreement with the EU, aimed at opening borders for goods and setting the stage for removing obstacles to free travel. The decision came only a week ahead of the Third Eastern Partnership Summit scheduled to take place in Vilnius on 28-29 November 2013, to work on conditions and steps needed to facilitate easier travel to the EU for the citizens of Eastern European countries, of which Ukraine is a member (European Commission 2013). This announcement triggered protests around the country not just because the president renounced the possibility of establishing a deeper political and economic partnership with the EU but because the president's decision facilitated the widening of existing ties with Russia. The decision did

not come as a surprise, as for more than two decades the Ukraine had been pursuing a multi-vector foreign policy, leaning towards both the West and the Russian Federation. The EU sought to offer to Ukraine a type of a partnership which would not include EU membership but rather a strategic partnership. While Moscow saw the EU's approach towards the Eastern Partnership as a threat to the Kremlin's vested interests, Brussels gave little weight to Russian warnings, probably because Russia did nothing concrete with respect to previous and continuous EU and NATO enlargements (Wayne Merry, 2015: 3).

Not only the Western countries-the EU and the U.S.-but also Ukraine and Russia were taken by surprise as the consequences of the Ukrainian crisis became increasingly more serious. The severity of the crisis came as a surprise to many in Ukraine itself, as well as in Russia, the EU and the U.S. Despite the belief of many Ukrainians that "the more the country changes, the more it stays the same," they were still bewildered by the evolving situation on the ground (Trenin, 2014: 3). After the Orange revolution in 2004¹ and the election of the pro-Western president, Viktor Yushchenko, Russia became Ukraine's number one enemy (Valdai, 2014: 12). The wave of demonstrations by the proponents of the Association Agreement triggered mass protests and calls for the resignation of president Yanukovich and his government. The series of events were known as the Ukrainian revolution or Euromaidan. Subsequent to the vicious police attacks of 30 November, then-president Viktor Yanukovich, was concretized, in the public's view, as the common enemy, thereby triggering an even bigger wave of Maidan protests (Carroll, 2014: 10). Also, as a result of the escalation of violence that followed the police authorities' use of brutality and the clearing of previously peaceful protest camps on Maidan, hundreds of thousands of people intensified their support for the protesters and joined the camp, creating a kind of independent and self-governing city within the city (Shevtsova et al. 2014: 17). On 19 January 2014, a package of laws known as "dictatorship laws," which targeted protesters and restricted freedom of speech and assembly, was passed by the Ukrainian parliament. This only spurred more protests and escalated the violent clashes between demonstrators and police authorities. Consequently, on 21 February 2014, president Yanukovich and other high government officials fled the country, enabling the protestors to get a hold of the presidential administration.

Following the overthrow of president Yanukovich and the government, the eastern and southern regions of Ukraine, namely Donetsk and Luhansk Oblast, experienced a surge in protests organised both by pro-Russian and anti-government groups in the majority of cities, demanding secession from Ukraine

¹ For more information on Organge Revolution, see <https://www.foreignaffairs.com/articles/russia-fsu/2005-03-01/ukraines-orange-revolution>.

and support from Russia. As the regime change was unfolding in the capital, Russian special forces (referred to as “little green men”), with their patches and insignia removed, occupied a number of strategic facilities in the Crimean Peninsula, the only region of Ukraine where ethnic Russians were the majority and home to the Russian Navy’s Black Sea Fleet (The Ukraine Crisis Timeline, 2014). The referendum on whether Crimea should become part of the Russian Federation was held on 27 February 2014, on too short notice, and was reportedly passed peacefully and orderly on 16 March 2014. The ballot contained two questions and only one positive response was considered valid: *1. Do you support reuniting Crimea with Russia as a subject of the Russian Federation? 2. Do you support the restoration of the 1992 Constitution of the Republic of Crimea and Crimea’s status as a part of Ukraine?* (Bebler, 2015: 40). The Crimean elections Spokesman, Mikhail Malyshev, announced that the final result was 96.77 % in favour of Crimea reuniting with Russia and 2.51 % against, with a turnout of 83,1% (Morello et al., 2014).

The referendum on Crimea’s secession from Ukraine was largely disputed in the international community due to, among other things, the presence of Russian troops on the ground during the referendum. Although it cannot be denied that the majority of the Crimean population favour annexation by Russia, it was somewhat striking that the result in favour of the annexation was as high as 96.77%, bearing in mind that both the Ukrainians and Crimean Tatar who populate that peninsula are in the minority.

Russia’s decision to intervene and annex Crimea in March 2014 was condemned in the international reactions. One positive example of the fruitful transatlantic partnership between the U.S. and the EU was the matter of Russia’s sanctions, where the two powers worked together closely to align their foreign policy with respect to the imposition of sanctions (Cable, 2017: 6). During the meeting of the Foreign Affairs Council held the following month, on 14-15 April 2014, the EU strongly condemned Russia’s annexation of Crimea and Sevastopol, refusing to recognize this act as legal, and adding that “the Council looks forward to the Commission’s evaluation of the legal consequences of the annexation of Crimea and to the related proposals for economic, trade and financial restrictions regarding Crimea”. Building on that statement, the former EU High Representative for Foreign Affairs and Security Policy, Catherine Ashton noted that “any further action aimed at destabilising Ukraine must stop. It is crucial that Russia and Ukraine engage in a meaningful dialogue to find a political solution” (Council of the European Union, 2014).

The U.S., on the other hand, has long been supporter of the Ukraine’s pro-Western orientation, Ukraine’s territorial integrity, including with respect to Crimea, as well as the implementation of the Minsk agreements that seek to bring about a cease-fire and conflict resolution in eastern Ukraine (Welt, 2017:

11). On the Crimean situation, former president Obama stated that the referendum was an “illegal and illegitimate move by the Russians to annex Crimea; and dangerous risks of escalation, including threats to Ukrainian personnel in Crimea and threats to southern and eastern Ukraine as well. And because of these choices, the United States moved to impose additional costs on Russia” (The White House, 2014). Former NATO Secretary General, Anders Fogh Rasmussen also condemned Russia’s action in Crimea and noted that by intervening in Ukraine, Russia is threatening peace and security, as well as violating the United Nations Charter (NATO, 2014). Therefore, from the very start of the crisis in Ukraine, the U.S. held a unilateral position, holding the Russian Federation, as the main foreign policy actor, accountable for the existing crisis and the subsequent annexation of Crimea.

Imposing Economic Sanctions: The EU’s and the U.S.’ Responses and Impacts on Russian Economy

Although not always synchronous, the EU and the U.S. always agreed on the underlying assumption that Russia must be punished for its foreign policy moves in the Ukraine. In 2014, sanctions were agreed in close consultation with the Obama administration and punitive measures imposed to put additional economic pressure on Moscow. Both sides emphasized publicly and privately that the implementation of the Minsk agreements could lead to sanctions relief for Moscow (Blanc and Weiss, 2019). As time went by, it became clear that the Russian side had no intention in succumbing to the Western pressure. In general, the U.S. and the EU response in terms of sanctions to the situation in Ukraine can be divided into 4 tiers: 1) *Tier 1, diplomatic sanctions*; 2) *sanctions against individuals and organisations*; 3) *economic sanctions*; and 4) *additional sanctions against Crimea* (banned imports from Crimea and a ban on investment and exports to six strategic sectors in Crimea) (Russell, 2016: 3-4).

The EU’s Response

When it comes to the EU, sanctions and restrictive measures are part of the EU’s Common Foreign and Security Policy, and as such belong to a wider framework when dealing with non-EU countries. Sanctions aim to achieve policy change in the sanctioned country by promoting the values and principles stipulated within the Common Foreign and Security Policy, while at the same time they target governments or non-EU countries, entities (companies), terrorist groups or individuals that support undesired policies (Council of the European Union 2019). As an increasingly central element of the EU’s Common and Foreign Security Policy, the EU has put in place 42 sanctions programmes, making it the world’s second-most active user of restrictive measures, after the U.S. (Russell, 2018b: 1). The EU was resolute in imposing

sanctions on Russia after what was considered to be an illegal annexation of Crimea and destabilisation of Ukraine, which included the breaching of the country's territorial integrity.

In light of this, the EU implemented several restrictive measures (EU Delegation to the Russian Federation, 2018): a) diplomatic measures; b) individual restrictive measures (asset freeze and travel restrictions); c) restrictions on economic relations with Crimea and Sevastopol; d) economic sanctions; and e) restrictions on economic cooperation. Apropos the diplomatic measures, following the annexation of Crimea, the EU decided not to go with the organisation of the EU-Russia and G8 summits that were scheduled for Sochi (the G7 was instead organised in Brussels). Furthermore, the EU Member States halted the negotiations on Russia's membership in the Organisation for Economic Co-operation and Development and the International Energy Agency.

When it comes to individual restrictive measures, assets were frozen, and travel ban restrictions enforced for 155 people and 44 entities suspected of undertaking activities leading to the breach of international law, sovereignty and independence. In March 2018, these measures were extended to 15 September 2018. Some of those on the list include: Sergey Valeryevich Aksyonov, Prime Minister of Crimea, Vladimir Andreevich Konstantinov, speaker of the Supreme Council of the Autonomous Republic of Crimea, Denis Valentinovich Berezovskiy, commander of the Ukrainian Navy, Sergey Pavlovych Tsekov, Vice Speaker of the Crimean Verkhovna Rada, Leonid Eduardovich Slutski, Commonwealth of Independent States (CIS) Chairman, and many others (Council Decision 2014/145/CFSP). As for the sanctioned organisations, these include newly created Donetsk People's Republic and Luhansk's People's Republic, pro-Russian forces in eastern Ukraine, Donetsk Republic and Free Donbas—two political parties that contested seats in what are considered to be illegal Donbass elections, and companies that were illegally transferred to Russian ownership, such as the Sevastopol and Kerch Commercial Seaport companies (European Parliament, 2016).

With regard to restrictions on economic relations with Crimea and Sevastopol, these sanctions apply to EU persons and EU-based companies that operate in Crimea and Sevastopol. These restrictions are as follows: an import ban on goods from Crimea and Sevastopol; restrictions on trade and investment related to certain economic sectors and infrastructure projects; a prohibition to supply tourism services; an export ban on certain goods and technologies. These restrictions were extended to 23 June 2019 by the European Council (EU Delegation to the Russian Federation, 2018).

With respect to economic sanctions targeting exchanges with Russia in specific economic sectors, the following restrictive measures were imposed: Russian banks and companies were granted limited access to EU capital markets; export and import bans imposed on trade-in-arms; enforcement of an export ban on dual-use goods for military use or military end users in Russia; curtailment of Russian access to certain sensitive technologies and services used for oil production and exploration (EU Delegation to the Russian Federation, 2018). The restrictions were last prolonged on 5 July 2018 for an additional six months. Further extension of the measures depends on the outcome of an assessment of the Minsk agreements² implementation.

Last but not least, measures concerning economic cooperation were adopted in July 2014 and entailed the following: annulment of future financing operations in Russia by the European Investment Bank (EIB); agreement by EU member states on a common stance with respect to the coordination of their positions within the European Bank for Reconstruction and Development's (EBRD) financing of new operations in the Russian Federation; review of some of the EU bilateral and regional cooperation programmes with Russia, and complete annulment of others (Schellinck, 2018).

During the European Council's summit in Brussels on 13 December 2018, the EU leaders unanimously agreed to prolong economic sanctions against Russia for meddling in another country's internal affairs. Additionally, EU leaders condemned the most recent confrontation between Russia and Ukraine, when Russia seized three Ukrainian ships that were sailing off the coast of Crimea under the pretext that they illegally entered its territorial waters. President Putin spoke of Ukrainian president Petro Poroshenko's intentions to deliberately provoke confrontation in the Kerch Strait for the sake of boosting his own popularity in the lead-up to the presidential elections in March 2019 (Sheftalovich, 2018). The European Council, on the other hand, requested "immediate release of all detained Ukrainian seamen as well as the return of the seized vessels and free passage of all ships through the Kerch Straits." In addition, EU leaders reconfirmed their "commitment to international law, the sovereignty, territorial integrity and independence of Ukraine and the EU's policy of non-recognition of the illegal annexation of Crimea" (European Council, 2018: 3). In this respect, the sanctions imposed in 2014 were only the beginning of a series of sanctions that are to be renewed in years to come.

The U.S.' Response

Shortly after the Russian Federation annexed Crimea, the sanctions related to Ukraine-Russia confrontation entered in the force, following the then

² For more information on Minsk agreements, please see <https://www.bbc.com/news/world-europe-31436513>

President Obama's national emergency to tackle Russian foreign policy moves in Ukraine that undermine democratic processes in the country and threaten peace, security and stability in the region (Department of Treasury, 2016: 3). The U.S. has two sanctions programs against Russia in place with respect to country's aggression against Ukraine. The first programme concerns Russia's invasion and the annexation of Crimea, whereas the second programme relates to Russia' interference in Eastern Ukraine and Moscow's reluctance to implement Minsk agreements. From the start of the imposition of sanctions, the U.S. stance is that there will be no lift of sanctions until Ukraine regains control over Crimean Peninsula and Russia starts implementing the Minsk agreements (U.S. Department of State: 2018b).

Starting from 2014, a series of Executive Orders were issued as a basis for sanctions concerning Russian meddling in Ukraine and annexing Crimea. The Executive Orders delegate the implementation of certain sanctions that are in accordance with the U.S. Sanctions Act and in line with U.S. government agencies. More concretely, the series of executive orders against Russia aim at condemning Russia's behaviour with respect to Ukraine, its territorial sovereignty, security and stability, as well as they relate to financial and economic costs that the country has to bear following the annexation of Crimea. On top of that, the executive orders refer to individuals – Russian government officials – government agencies and companies that have in any way supported and facilitated the development of the existing situation on the ground. The Executive Orders are as follows (U.S. Department of State):

Executive Order 1360 of 6 March 2014 authorizes sanctions on individuals and entities responsible for violating the sovereignty and territorial integrity of Ukraine, as well as for illegally acquiring assets that belonged to the Ukrainian people. The sanctions also impose travel bans on individuals and officials that are believed to be indirectly or directly involved in the situation on the ground in the Crimean Peninsula.

Executive Order 13661 of 17 March 2014 broadened the spectrum of the national emergency that was previously stipulated in Executive Order 1360. The U.S. extended the list of persons that contributed to the situation in Ukraine, mainly referring to those officials and senior officials in the Government of the Russian Federation who have acted in such a way to undermine the democratic processes, Ukraine's territorial integrity, sovereignty and the independence of the Ukrainian people, along with their contribution to the theft of the country's assets.

The Executive Order of 20 March 2014 entitled "*Blocking Property of Additional Persons Contributing to the Situation in Ukraine,*" again broadened the sanctions that were previously announced in the two previous Executive

Orders, Executive Order 13660 and Executive Order 13661, respectively. Similar to the previous Orders, this Executive Order found that the policies of the Russian Federation undermine democratic processes and institutions in Ukraine; threaten its peace, security, stability, sovereignty, and territorial integrity, and thereby constitute a threat to the national security and foreign policy of the United States (The White House, 2014b).

Unlike previous Orders, with *Executive Order 13685*, the U.S. expanded the scope of the diplomatic and financial measures as a result of Russia's actions against Ukraine, including the suspension of credit finance encouraging exports to Russia and finance for economic development projects in Russia. It also prohibits the provision, exportation, or re-exportation of goods, services (not including financial services), or technology in support of exploration or production for deep water, the Arctic offshore, or shale projects that have the potential to produce oil in the Russian Federation (Executive Order 13685 of December 19, 2014).

During the visit of Ukrainian President Poroshenko to Washington on 20 June 2017, the Treasury Department announced the extension of the sanctions, to include more than three dozen additional individuals and organisations that are directly or indirectly connected with worsening the situation in Ukraine and Crimean Peninsula. In addition, Treasury Secretary Steven Mnuchin noted that there will be no lift of sanctions until Russia starts implementing Minsk agreements (Rappeport and MacFarquhar, 2017). Consequently, on 8 March 2018, the United States Department of the Treasury approved a new list of sanctions, adding to it the names of three more Russian individuals and nine entities.

Impacts on Russian Economy

With the decision to prolong the sanctions initially imposed on Russia in 2014, both the U.S. and EU are determined to pursue foreign policy objectives that were defined following the annexation of Crimea. The unanimous decision to prolong the sanctions by the European Council in December 2018, speaks to the EU's unity on the sanctions, regardless of the status quo and failure to improve the situation on the ground in Ukraine. The U.S. pro-Ukrainian foreign policy also speaks in favour of supporting the territorial integrity of Ukraine and insistence on condemnation of Russia's sanctions.

The impact of sanctions on Russia can be assessed in various ways. From a political standpoint, the sanctions failed to politically isolate Russia and make the country refrain from striking deals with other major world powers. Following the introduction of sanctions by the West, Russia turned to the East, mainly to China, which is seen as an increasingly important partner. In economic terms, China is in a position to project regional and global power and

influence (Ikenberry, 2014: 51). This subsequently leads the Russian foreign policy towards the East with the hope of setting the groundwork for curtailing U.S. supremacy in the global sphere. China, on the other hand, welcomes the possibility of diminishing U.S. influence in the Asia-Pacific. The possibilities for Sino-Russian cooperation mostly boil down to arms trade and technology transfer, with energy cooperation mostly developing at a moderate pace. A series of economic reforms that started in China more than four decades ago laid the foundation for expanding China's political and economic influence internationally and for catching up with the U.S. in economic terms (Carlsson et al., 2015: 4). Although rapprochement between Russia and China is nothing new, starting from 2014 the cooperation has intensified, mostly through the China-initiated Silk Road Economic Belt and the Eurasian Economic Union led by Russia. Sino-Russian strategic alignment was proven also in the case of Crimea when China refused to criticize Moscow and abstained from the UN Security Council's resolution on the Crimea referendum.

Regarding the economic impact of sanctions, Russia's economy suffered a sharp decline in mid-2014, following the Crimean matter and the crisis in Ukraine, thus implying that the reasons for such a downturn could be found in the imposition of the sanctions. However, the ensuing recession cannot be entirely blamed on sanctions as Russia's economic performance has always been closely correlated with crude oil prices, due to its reliance on fossil fuels, which generate 70 % of its export earnings (Russell, 2018: 7). Regardless, the energy sector is a direct target of sanctions, which forced international oil companies, such as Shell and Exxon Mobile, to suspend their project plans with Gazpromneft, thereby stripping the Russian oil magnum of opportunities for sharing technology and skills with their Western counterparts and implying that up to \$500bn in planned investment was forsaken (Gould-Davies, 2018: 11). Foreign bank exposure and FDI inflows have halved since 2013, whereas the proportion of Russian interbank loans and deposits outside the country declined from 60% to 37%. In just the first three years of sanctions, the ruble's average annual exchange rate in 2014-2016 against the euro depreciated by over 40% and by over 50% against the US dollar (Korhonen et al. 2018: 11). In 2014, foreign liabilities in the private sector decreased by \$37 billion in comparison to 2013, when an increase of \$115 billion was observed (Gurvich and Prilepskiy, 2015: 360-361).

Given that, even during the Cold War, the Soviet Union imported technology from the West (i.e. the U.S. and Europe), it is highly likely that Russia will not be able to compensate for its declining production in traditional fields. Therefore, these sanctions might have a much larger impact in the long run since no suitable substitutes for acquiring new technology have so far been found elsewhere (Korhonen et al. 2018: 13). What is more, the U.S. sanctions

that restricted Russian access to global financial markets and the acquisition of equipment for new energy projects will have an even greater effect in the long run, especially if the U.S. bans loans to the Russian government in the near future. All these measures, understood by investors as a negative signal, were followed by a significant outflow of private capital from Russia (Tyll et al. 2018: 26).

The sanctions have also had an impact on EU-Russia trade relations, with trade continuously decreasing since 2012, dropping by 44% between 2012 and 2016 from €339 billion in 2012 to €191 billion in 2016 (European Commission, 2019). Particular Member States also had much to lose in terms of exports to Russia throughout the sanctions period. Germany accounts for more than 40% of Western losses, affected by the sanctions, as the largest importer from Russia in the EU with €32 857 million and the highest share in total extra-EU imports. However, Germany was also the country to suffer the most, through its €6 871 million trade deficit with Russia. Besides Germany, Italy and France also had to deal with high export losses during the period of sanctions. In terms of weakening EU exports, in 2016 alone, France experienced a decline of €1630 million in value added and 23,000 jobs being endangered due to the sanctions (European Parliament 2017: 12). On the other hand, in the agri-food sector, Italy suffered losses amounting to €850 million due to the loss in exports and more than €10 billion on the export of Italian-made produce (European Parliament 2017b). Nonetheless, despite the decline in trade during some years of sanctions, countries continued to sustain their relationship with Russia by concluding bilateral agreements and deepening their economic and political exchanges. On 4 July 2019, during his visit to Moscow, Italian Prime Minister Conte emphasised the “excellent relations countries enjoy” and highlighted the growth in trade in 2018, which increased “by almost 13% to \$27 billion” (Kremlin, 2019).

Conclusion

Economic sanctions are typically coercive policy instruments that seek to alter another country’s behaviour by targeting its economic welfare. Despite being one of the most frequently deployed foreign policy tools, scholars contend that economic sanctions rarely achieve their objectives. The most comprehensive sanctions on Russia were imposed in 2014, following the annexation of Crimea and the violent unrests that erupted in eastern Ukraine. Not only did the events lead to another setback in relations between Russia and the West but they also resulted in the unanimous imposition of sanctions by Western powers. Drawing on the theory of international economic sanctions, this paper sought to examine the nature of the sanctions on Russia, their application and impact.

The decision to impose measures on Russia arose from the unanimous decision that the Russian Federation breached international law by annexing Crimea and violating the territorial sovereignty of Ukraine. Following the annexation of Crimea and the unrests in eastern Ukraine, the sanctions that were initially deployed included a limited number of travel restrictions, restrictions on economic cooperation and asset freezes, which specifically targeted certain individuals and companies in the Crimean Peninsula. The interest groups, individuals, and companies that were targeted for inclusion on the list were all under suspicion of undermining democratic processes in the Ukraine, thus presenting a threat to the peace, security, integrity and stability of Ukraine (Korhonen, 2018: 4-5). Although the EU and the U.S. were closely aligned on the imposition of the sanctions in 2014, several differences could be spotted in their approaches. Unlike the EU, the sanctions imposed by the U.S. are open-ended and remain in force until a decision is taken to lift them and are broader in scope than those implemented by the EU (Russell, 2018b: 3). While the EU sanctions included, among others, diplomatic measures, asset freezes and travel restrictions, and bans on the importation of goods from Crimea and Sevastopol, the U.S. imposed sanctions targeting and blocking specific individuals and entities, and targeting determined sectors of the Russian economy, banning transactions such as oil exports, exploration technology, and implementing measures banning trade to and from Crimea and investment in the region (Smith, 2018: 5).

The immediate effect of sanctions on the Russian economy could not be readily seen due to other factors such as the decline of the ruble and the fact that the performance of the Russian economy correlates with the price of crude oil. The Russian public sector depends heavily on the national economy and price fluctuation in the oil and gas industry, which requires the federal government to promptly discharge its expenditure obligations (Sabitova and Shavaleyeva, 2015: 427). However, financial sanctions have had an indirect effect on the Russian economy in terms of the decreasing foreign direct investment, fewer borrowing opportunities for companies and banks not directly targeted by the sanctions, and lower capital inflow into the government debt market (Gurvich and Prilepskiy, 2015: 384). The Russian energy sector suffered financial losses due to international oil companies suspending their project plans with Gazpromneft, consequently depriving Russia of knowledge and technology sharing processes. The sanctions have also had an influence on EU-Russia trade relations to a substantial extent, with the trade ratio dropping by 44% between 2012 and 2016. Reports revealed that the sanctions affected not only the Russian economy but also EU Member States, which traditionally nurture good trade relations with Moscow. Germany has suffered most with the trade deficit standing at €6 871 million, whereas Italy and France experienced the highest losses in export throughout the sanctions regime.

Should Western sanctions persist while Crimean status and the conflict in South-East Ukraine remain resolved; it is highly likely that the effects on the Russian economy will be more devastating in the long-term. Despite the emergence of alternative payment methods, such as the euro and the Chinese renminbi, the U.S. dollar remains dominant and more than half of global trade is still conducted using the dollar. The financial and economic hegemony of the U.S. does not favour Russia's integration into global finance and financial chains. The financial measures imposed on Russia include, among others, the suspension of credit financing for developments projects in Russia.

It is therefore not likely that the economic sanctions will have any short-term impact on Russian economy given that, thus far, the sanctions have not provoked a crisis severe enough to trigger changes in Russia's political leadership. In the long run, however, sanctions could have a crippling effect on the Russian economy. As this paper has argued, the success rate of these economic sanctions also depends on crude oil prices, which are inextricably connected to the Russian economy and have the potential to moderate the effect of sanctions overall. As for the Western objective to change the geopolitical trajectory of Russian foreign policy – the sanctions were not particularly effective either. Russia continues to be present in eastern Ukraine since 2014, implying that Kremlin remains assertive in its foreign policy objectives, despite the sanctions.

References:

- Kobzova, J. (2011) "Great Power Management Without Great Powers? The Russian-Georgian War of 2008 and Global Police/Political Order", in A. Astrov (eds.) *The Great Power (mis)Management, The Russian-Georgian War and its Implications for Global Political Order*, (UK: Ashgate Publishing Limited), pp. 79-102.
- Baldwin, D. A. and Pape R. A. (1998) "Evaluating Economic Sanctions", *International Security*, 23(2): 189-198.
- Bebler, A. (2015) "Crimea and the Russian-Ukrainian Conflict," *Romanian Journal of European Affairs*, 15(1): 35-54.
- Blanc, J. and Weiss, A. S. (2019) "U.S. Sanctions on Russia: Congress Should Go Back to Fundamentals," Carnegie Endowment for International Peace", 3 Nisan 2019, <<https://carnegieendowment.org/2019/04/03/u.s.-sanctions-on-russia-congress-should-go-back-to-fundamentals-pub-78755>>, (07 Eylül 2019).
- Brunat, E. (2016) "Where goes Russia? The risks of a new continental divide" B. Dallago, G. Guri and J. McGowan (eds.) *A Global Perspective on the European Economic Crisis*, (Abingdon, Oxfordshire: Routledge), pp. 241-258.
- Buchet de Neilly, Y. (2003) "The multi-pillar issue of economic sanctions against Serbia," in M. Knodt and S. Princen (eds.) *Understanding the European Union's External Relations*, (London: Routledge), pp. 92-106.
- Carlsson, M. Oxenstierna, S. and Weissmann, M. (2015) "China and Russia – A Study on Cooperation, Competition and Distrust", June 2015, <<https://www.foi.se/rest-api/report/FOI-R--4087--SE>>, (07 Eylül 2019).
- Carroll, J. J. (2014) "This is Not about Europe: Reflections on Ukraine's EuroMaidan Revolution", *Perspectives of Europe*, 44(1): 8-15.
- Council Decision 2014/145/CFSP of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, <<https://eur-lex.europa.eu/legal-content/en/TXT/?qid=1521625455688&uri=CELEX:02014D0145-20171121>>, (31 Ocak 2019).
- Council of the European Union (2019) "Sanctions: how and when the EU adopts restrictive measures", <<https://www.consilium.europa.eu/en/policies/sanctions/>>, (31 Ocak 2019).
- Council of the European Union (2014) "3309th Council Meeting, Foreign Affairs," *Press Release 8763/14*, <<https://www.consilium.europa.eu/media/28449/142228.pdf>>, (30 Ocak 2019).

- Department of the Treasury (2016) “Ukraine/Russia-related sanctions program,” *Office of Foreign Assets Control, U.S. Department of the Treasury*, <<https://www.treasury.gov/resource-center/sanctions/Programs/Documents/ukraine.pdf>>, (31 Ocak 2019).
- De Vries, A. (2002) “European Union sanctions against the Federal Republic of Yugoslavia (1998-2000): A special exercise in targeting”, D. Cortright, G.A. Lopez (eds.) *Smart sanctions: targeting economic statecraft*, (UK: Rowman & Littlefield Publishers, Lanham), pp. 87-108.
- De Wilde d’Estmael, T. (1998) *Political dimension of the external economic relations of European Community: Sanctions and economic incentives as foreign policy means (La dimension politique des relations économiques extérieures de la communauté européenne. Sanctions et incitants économiques comme moyens de politique étrangère)*, (Bruxelles, Etablissements Emile Bruylant).
- Doxey, M. (1983) “International Sanctions in Theory and Practice,” *Case Western Reserve Journal of International Law*, 15(2): 273-288.
- EU Delegation to the Russian Federation (2018) “EU restrictive measures in response to the crisis in Ukraine”, <https://eeas.europa.eu/sites/eeas/files/eu_restrictive_measures_in_response_to_crisis_in_ukraine_en.pdf>, (31 Ocak 2019).
- European Commission (2019) “Trade policy, Countries and Regions, Russia”, <<https://ec.europa.eu/trade/policy/countries-and-regions/countries/russia/>>, (07 Eylül 2019).
- European Commission (2013) “Third Eastern Partnership Summit, Vilnius 28-29 November 2013”, Press Release, <http://europa.eu/rapid/press-release_IP-13-1169_en.htm>, (30 Ocak 2019).
- European Council (2018) “European Council conclusions 13-14 December 2018”, <<https://www.consilium.europa.eu/media/37535/14-euco-final-conclusions-en.pdf>>, (31 Ocak 2019).
- European Parliament (2017) “Russia’s and the EU’s sanctions: economic and trade effects, compliance and the way forward,” *Directorate General for External Policies, Committee on International Trade*, <[http://www.europarl.europa.eu/RegData/etudes/STUD/2017/603847/EXP_O_STU\(2017\)603847_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2017/603847/EXP_O_STU(2017)603847_EN.pdf)>, (07 Eylül 2019).
- European Parliament (2017b) “Parliamentary Questions: Renewal of sanctions against Russia: lossess of billions of euros for the ‘Made in Italy’ sector”, <http://www.europarl.europa.eu/doceo/document/E-8-2017-004795_EN.html>, (07 Eylül 2019).
- European Parliament (2016), “Sanctions Over Ukraine, Impact on Russia,” *Policy Brief* March 2016, <<http://www.europarl.europa.eu/EPRS/EPRS->

- Briefing-579084-Sanctions-over-Ukraine-impact-Russia-FINAL.pdf>, (31 Ocak 2019).
- Executive Order 13685 of December 19, 2014, *Presidential Documents*, Federal Register Vol. 79, No. 247, <https://www.treasury.gov/resource-center/sanctions/Programs/Documents/ukraine_eo4.pdf>, (09 Şubat 2019).
- Flowe Jr, B H. (1980) “An Overview of Export Controls on Transfer of Technology to the U.S.S.R. in Light of Soviet Intervention in Afghanistan,” *North Carolina Journal of International Law and Commercial Regulation*, UNC School of Law, 5(3): 555-573.
- Galtung, J. (1967) “On the Effects of the International Economic Sanctions: With Examples from the Case of Rhodesia,” *World Politics*, 19(3): 378-416.
- Gould-Davies, N. (2018) Economic effects and political impacts: Assessing Western sanctions on Russia,” *Bank of Finland, BOFIT, Institute for Economics in Transition*, <<https://helda.helsinki.fi/bof/bitstream/handle/123456789/15832/bpb0818.pdf?sequence=1>>, (07 Eylül 2019).
- Gurvich, E. and I. Prilepskiy (2015), “The impact of financial sanctions on the Russian economy”, *Russian Journal of Economics*, 1: 359-385.
- Hovi, J. Huseby, R. and Sprinz, D. F. (2005) “When Do (Imposed) Economic Sanctions Work?”, *World Politics*, 57(4): 479-499.
- Hufbauer, G. C. Schott, J.J. Elliott, K. A. and Oegg, B. (2007) *Economic Sanctions Reconsidered*, 3rd Edition, (Washington DC: Peterson Institute for International Economics).
- Ikenberry, J. G. (2014) “From Hegemony to the Balance of Power: The Rise of China and American Grand Strategy in East Asia”, *International Journal of Korean Unification Studies*, 23(2): 41-63.
- Kaempfer, W. H. and Lowenberg, A. D. (2007) “The Political Economy of Economic Sanctions”, *Handbook of Defense Economics*, 2: 867-911.
- Kennan Cable (2017) “U.S. Sanctions and Western Coordination on Russia Policy” December 2017, <https://www.wilsoncenter.org/sites/default/files/kennan_cable_29_-_tolksdorf.pdf>, (07 Eylül 2019).
- Kholodilin, K. and Netsunajev, A. (2016) “Crimea and Punishment: The Impact of Sanctions on Russian and European Economies”, *Deutsches Institut für Wirtschaftsforschung DISCUSSION PAPERS*, No. 1569.
- Kirshner, J. (1998) “Political Economy in Security Studies after the Cold War”, *Review of International Political Economy*, 5(1): 64-91.

- Korhonen, I. Simola, H. and Solanko, L. (2018) "Sanctions, counter-sanctions and Russia – Effects on economy, trade and finance", *Bank of Finland, BOFIT, Institute for Economics in Transition*, <<https://helda.helsinki.fi/bof/bitstream/handle/123456789/15510/bpb0418.pdf?sequence=1>>, (03 Şubat 2019).
- Korteweg, R. (2018) "Energy as a tool of foreign policy of authoritarian states, in particular Russia," *European Parliament Committee on Foreign Affairs., Directorate-General for External Policies of the Union*, <[http://www.europarl.europa.eu/RegData/etudes/STUD/2018/603868/EXP_O_STU\(2018\)603868_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2018/603868/EXP_O_STU(2018)603868_EN.pdf)>, (28 Ocak 2019).
- Kremlin (2019) "Joint news conference with Italian Prime Minister Giuseppe Conte", *President of Russia*, <<http://en.kremlin.ru/events/president/news/page/14>>, (07 Eylül 2019).
- Lo, B. (2015) *Russia and the New World Disorder*, (London: Chatham House).
- Morello, C. Constable, P. and Faiola, A. (2014) "Crimeans vote to break away from Ukraine, join Russia", 16 March, 2014, <https://www.washingtonpost.com/world/2014/03/16/cccc2132-acd4-11e3-a06a-e3230a43d6cb_story.html?utm_term=.1b3054f2b18d>, (30 Ocak 2019).
- Neuenkirchn, M. and Neumeier, F. (2015) "The Impact of UN and US Economic Sanctions on GDP Growth," *European Journal of Political Economy*, 40: 110-125.
- North Atlantic Treaty Organisation (NATO) (2014) "Doorstep statement by NATO Secretary General Anders Fogh Rasmussen before the meetings of the North Atlantic Council and the NATO-Ukraine Commission", 2 March 2014, <https://www.nato.int/cps/en/natolive/opinions_107663.htm>, (30 Ocak 2019).
- Van Bergeijk, P.A.G. (1989) "Success and Failure of Economic Sanctions", *KYKLOS*, 42: 385-404.
- Jentleson, B. W. (2000) "Economic Sanctions and Post-Cold War Conflicts: Challenges for Theory and Policy," National Research Council (eds.) *International Conflict Resolution After the Cold War*, (Washington DC: The National Academies Press), pp. 123-177.
- Lacy, D. and Niou, E. M. S. (2004) "A Theory of Economic Sanctions and Issue Linkage: The Roles of Preferences, Information, and Threats," *The Journal of Politics*, 66(1): 25-42.

- Pape, R. A. (1997) "Why Economic Sanctions Do Not Work", *International Security Journal*, 22(2): 90-136.
- Paul, A. (2015) "Crimea one year after Russian annexation", 15 March 2015, <http://aei.pitt.edu/62987/1/pub_5432_crimea_one_year_after_russian_annexation.pdf>, (07 Eylül 2019).
- Perovic, J. (2017) *Cold War Energy: A Transnational History of Soviet Oil and Gas*, (UK: Palgrave Macmillan).
- Portela, C. (2010) *European Union Sanctions and Foreign Policy: When and why do they work?*, (London: Routledge, Taylor and Francis Group).
- Presidium of the USSR Supreme Soviet (1954) "Meeting of the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics", <<https://digitalarchive.wilsoncenter.org/document/119638>>, (03 Şubat 2019).
- Rappeport, A. and MacFarquhar, N. (2017) "Trump Imposes New Sanctions on Russia Over Ukraine Incursion", 20 June 2017, <<https://www.nytimes.com/2017/06/20/world/europe/united-states-sanctions-russia-ukraine.html>>, (29 Ocak 2019).
- Reisman, M. W. and Stevick, D. L. (1998) "The Applicability of International Law Standards to United Nations Economic Sanctions Programmes", *European Journal of International Law*, 9: 86-141.
- "Russian Forces Occupy Strategic Facilities in Crimea," *The Ukraine Crisis Timeline*, February 28, 2014, <<http://ukraine.csis.org/crimea.htm#3>>, (30 Ocak 2019).
- Russell, M. (2018) "Sanctions Over Ukraine, Impact on Russia," *European Parliament Research Service*, <[http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/614665/EPRS_BRI\(2018\)614665_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/614665/EPRS_BRI(2018)614665_EN.pdf)>, (03 Şubat 2019).
- Russell, M. (2018b) "EU sanctions: A key foreign and security policy instrument," *European Parliament Research Service*, <[http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/621870/EPRS_BRI\(2018\)621870_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/621870/EPRS_BRI(2018)621870_EN.pdf)>, (07 Eylül 2019).
- Russell, M. (2016) "Sanctions Over Ukraine, Impact on Russia," *European Parliament Research Service*, <<http://www.europarl.europa.eu/EPRS/EPRS-Briefing-579084-Sanctions-over-Ukraine-impact-Russia-FINAL.pdf>>, (07 Eylül 2019).
- Sabitova, N. and Shavaleyeva, C. (2015), "Oil and Gas Revenues of the Russian Federation: Trends and Prospects," *Procedia Economics and Finance*, 27: 423-428.

- Schellinck, P. (2018) "EU prolongs sanctions over actions against Ukraine," *European News Agency*, 18 March 2018, <https://www.european-news-agency.de/special_interest/eu_prolongs_sanctions_over_actions_against_ukraine-70556/>, (31 Ocak 2019).
- Sheftalovich, Z. (2018) "Putin accuses Ukrainian president of provoking confrontation to boost popularity," *Politico*, 28 November 2018, <<https://www.politico.eu/article/russian-president-vladimir-putin-accuses-ukrainian-leader-petro-poroshenko-of-provoking-kerch-strait-crisis-to-boost-popularity/>>, (28 Ocak 2019).
- Shevtsova, L. et al. (2014), "The Maidan and Beyond," *Journal of Democracy*, 25(3): 74-82.
- Smeets, M. (2018) "Can Economic Sanctions Be Effective," *Staff Working Paper ERSD*, World Trade Organisation, Economic Research and Statistics Division, <https://www.wto.org/english/res_e/reser_e/ersd201803_e.pdf>, (28 Ocak 2019).
- Smith, B. (2018) "Sanctions against Russia – in brief," *Commons Library Briefing, No CBP 8284*, <<http://researchbriefings.files.parliament.uk/documents/CBP-8284/CBP-8284.pdf>>, (03 Şubat 2019).
- Sospedra, J. T. (2018) "Relations between USA-Russia: a new cold war? The moment of Trump," *Instituto Español de Estudios Estratégicos*, <http://www.ieee.es/en/Galerias/fichero/docs_opinion/2018/DIEEE004-2018_Relaciones_EEUU-Rusia_Torres_Sospedra_ENGLISH.pdf>, (01 Şubat 2019).
- The White House (2014) "Statement by the President on Ukraine," *Office of the Press Secretary*, 20 March, 2014, <<https://obamawhitehouse.archives.gov/the-press-office/2014/03/20/statement-president-ukraine>>, (30 Ocak 2019).
- The White House (2014b) "Executive Order – Blocking Property of Additional Persons Contributing to the Situation in Ukraine," *Office of the Press Secretary*, 20 March 2014, <<https://obamawhitehouse.archives.gov/the-press-office/2014/03/20/executive-order-blocking-property-additional-persons-contributing-situat>>, (05 Şubat 2019).
- Trenin, D. (2014) "The Ukraine Crisis and the Presumption of Great-Power Rivalry," *Carnegie Moscow Center*, <https://carnegieendowment.org/files/ukraine_great_power_rivalry2014.pdf>, (29 Ocak 2019).
- Tyll, L. Pernica, K. and Arltova, M. (2018) "The impact of economic sanctions on Russian economy and the RUB/USD exchange rate", *Journal of International Studies*, 11(1): 21-33.

- U.S. Department of State, "Ukraine and Russia Sanctions," <<https://www.state.gov/e/eb/tfs/spi/ukrainerussia/index.htm>>, (30 Ocak 2019).
- U.S. Department of State (2018b) "Russia Fact Sheet," *Bureau of Economic and Business Affairs*, <<https://www.state.gov/e/eb/rls/fs/2018/288152.htm>>, (30 Ocak 2019).
- Valdai Discussion Club Report (2014) "The crisis in Ukraine: Root causes and scenarios for the future," *Valdai Discussion Club*, <http://vid-1.rian.ru/ig/valdai/ukraine_eng.pdf>, (30 Ocak 2019).
- Wayne Merry, E. (2015) "Dealing with the Ukrainian Crisis: Transatlantic Strategy Dilemmas," *Istituto Affari Internazionali, IAI Working Paper*, 15151.
- Weiss, T. G. (1999) "Sanctions as a Foreign Policy Tool: Weighing Humanitarian Impulses," *Journal of Peace and Research*, 35(5): 499-510.
- Welt, C. (2017) "Ukraine: Background and U.S. Policy," *Congressional Research Service (CRS Report)*, 1 November 2017, <<https://fas.org/sgp/crs/row/R45008.pdf>>, (30 Ocak 2019).