

EUROPEAN UNION / RUSSIA SANCTIONS, WHAT NEXT?

#RUSSIA
#SANCTIONS



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DO SANCTIONS MAKE A POLICY?

Since 2014, the European Union (EU) has drafted, developed and pursued a policy of sectoral and individual sanctions against Russia. Achieving a fragile unity between Member States and asserting the European Union's geopolitical role, the only prospect for this policy is to go on indefinitely.

Sanctions, while essential, are not the be-all and end-all of the EU's "Russia policy". Even though sanctions were complemented by the five guiding principles set out by Federica Mogherini in 2016¹, they have failed to change the Federation's external action and have not halted the authoritarian course the regime is taking. If the European Union were to put an end to these sanctions, this would be perceived as an admission of weakness. Consequently, it must complement them with a broader and diversified strategy. Sanctions are merely a negative and defensive tactic aimed at stemming Russia's adventurist policy. They must come under a strategy that asserts European priorities so that tangible political and economic results can be obtained².

Sanctions alone do not make a policy. However, the EU's Russia policy cannot do without sanctions today. This is the challenge the European Union faces with Russia.

1. [https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI\(2018\)614698](https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2018)614698)

2. Returning from his trip to Russia on 5 and 6 February 2021, after having been subjected to several diplomatic snubs in Moscow, High Representative of the European Union for Foreign Affairs and Security Policy Josep Borell used the terms "to push back, to contain and to engage" to define his both defensive and offensive or active vision of relations between the EU and the Russian Federation.

INTRODUCTION ■

THE EUROPEAN UNION'S ATTITUDE TOWARDS RUSSIA: BETWEEN AN ASSERTION OF POWER AND A LOW LEVEL OF RESULTS

A ■ Europe's Russian paradox

With regard to Russia, the European Union is currently trapped in a paradoxical situation, between short-term successes and powerlessness in the medium term.

Firstly, for more than seven years, semester after semester, Member States have renewed and tightened the sanctions adopted in response to the annexation of Crimea and Russian intervention in Eastern Ukraine. This constitutes a limited but tangible success: the EU defines a coherent line common to all Member States (despite differing opinions in Hungary, Greece, Cyprus and Italy) and asserts its geopolitical position on the continent.

Secondly, however, it has failed to stem the aggressive drive of Russian foreign policy as demonstrated very recently by the expulsion of European diplomats, precisely when Josep Borrell, High Representative of the European Union for Foreign Affairs and Security Policy, was visiting Moscow on 5 February 2021. This event prompted a limited response despite the scale of the diplomatic snub: this is only the most recent sign of a certain resignation in Europe regarding Moscow's behaviour.

On one hand, Europe is clearly rejecting Russia's adventurist and revanchist policy in Europe. Yet on the other hand, it believes it is powerless in relation to Russian strategy. This is how the paradoxical position of the EU can be summed up.

B ■ Token sanctions or sanctions as part of a policy?

In response to the imprisonment of Alexei Navalny and of thousands of protesters in January and February 2021, the ministers of foreign affairs renewed and extended sanctions³ against Russia. Ahead of the European Union Council meeting on 25-26 March 2021, the concept of putting an end to sanctions is no longer on the table. Today, the issue at hand is to ascertain what the EU can do⁴ with this huge tool of limited use. What is its objective now? To change the Russian political regime? To change the security balance at its borders? To continue to express its objections without expecting any results?

This issue is particularly acute in light of the French Presidency of the European Union (FPEU) in 2022. Health, budget and economic issues will undoubtedly be the focus of this European semester. Yet Russia will also be at the centre of the diplomatic agenda: will France want to or be able to once again instil the "spirit of Brégançon"⁵ (so-called after President Macron invited Vladimir Putin to the official holiday retreat of the French president, the Fort

3. https://www.liberation.fr/international/europe/face-a-la-russie-la-riposte-mesuree-de-lue-20210222_PU6NMV5URB6DCNYKZ56DCSZGI/ (in French)

4. <https://institutdelors.eu/en/publications/eu-russia-beyond-rivalries/>

5. <https://www.institutmontaigne.org/blog/les-incoherences-de-la-politique-demmanuel-macron-envers-la-russie> (in French)

de Brégançon) to try and foster productive dialogue⁶? Or will it be forced to admit the deadlock, distrust and even hostile relations between Brussels and Moscow?

In short, the EU finds itself in the classic alternative of sanction policies: to keep up the balance of power indefinitely, exposing itself to the risk of making a “token sanction policy”, or to commit to a proactive policy to tighten and possibly ease sanctions to launch a new action plan.

A resigned balance of power or an active reset?

C ■ Towards an EU *Ostpolitik*

To create a “new Russia policy”, as part of the Strategic Compass and within the current European term of office (2019-2024), the EU must evaluate the situation and specify its medium-term objectives in relation to Russia.

Let us remember how and why the mutual sanctions between the EU and Russia in 2014 followed on from the 1994 Partnership and Cooperation Agreement. It is also necessary to measure the tangible results of this strategic break. Lastly, the avenues now open to the EU must be identified.

Is it able and willing to be uncompromising when it comes to its founding principles? Is it currently able to define an interest for the EU towards Russia notwithstanding the pronounced differences between Member States? Or should it, having no illusions regarding the political substance of the Russian regime and the geopolitical ambitions of its power, grudgingly agree to a new form of cooperation? In the absence of a genuine European policy regarding Russia, sanctions are a policy formed due to a lack of alternatives, as a default and by automatic response.

As regards the sanctions against Russia, several stereotypes must be addressed: firstly, sanctions are appropriate and essential to assert the European Union’s geopolitical status against Russia across the Eurasian area. Secondly, these sanctions are of limited effectiveness but they are far from embodying all of the EU’s advantages over the Federation. Despite its internal dissensions, it is Europe that is in a position of strength in the long-term power struggle against Russia. Restricting action to the sanctions means the EU is depriving itself of additional scopes for action. Giving them up means it loses the meagre gains it has made against the Federation. While sanctions are only one means, the EU must constantly keep in mind what their purpose is in its relations with Russia.

6. <https://www.telos-eu.com/fr/politique-francaise-et-internationale/france-russie-des-relations-passionnelles.html> (in French)

PART 1 ■ THE EUROPEAN UNION AND THE RUSSIAN FEDERATION CAUGHT IN A SPIRAL OF SANCTIONS: FROM COOPERATION TO A POWER STRUGGLE

Why, how and for which purpose did the European Union replace the EU-Russia Partnership and Cooperation Agreement signed in 1994 (and developed subsequently) with a series of sectoral and individual sanctions in 2014, affecting trade, finance, technology, industry and diplomacy.

The turning point in 2014 shows the extent to which the European Union had undergone a change in diplomatic paradigm. It asserted its rivalry⁷ with Russia and accepted to play to its strengths in the open power struggle. While these sanctions were adopted reluctantly, they form the foundation of an action plan⁸.

A ■ From the desire for cooperation to actual competition

For the European Union, 2014 was a real strategic wake-up call⁹ as Russia's actions in Ukraine meant that the EU had no choice but to react. Ukraine is a key State in the Eastern Partnership which is also made up of Moldova, Belarus, Armenia, Georgia and Azerbaijan. Ukraine alone accounts for around 60% of the population and the GDP of this area of the EU neighbourhood policy and has a significant symbolic weighting for Russia.

The disagreements with Russia are primarily geopolitical: the EU denounced the unlawfulness of the annexation of Crimea on 18 March 2014 and condemned Russian military intervention¹⁰ in Eastern Ukraine, in the Donbass or Donetsk Basin. These breaches of international law call into question the principles defined by Europe and the USSR, then the Russian Federation, in the 1975 Helsinki Final Act, the 1990 Charter of Paris for a New Europe and the 1994 Budapest Memorandum. Respect for the borders resulting from the demise of the USSR, disarmament policies, mutual assurance measures, etc. appear to be cancelled out by Russian revanchism that aims to expunge the humiliation of the 1990s.

Several additional factors have made the situation worse: on 17 July 2015, the Boeing 777 Malaysian Airlines flight MH17 was shot down above the rebel-controlled area of Donetsk in Ukraine by Russian weapons¹¹ causing the death of 298 people, including 193 Dutch nationals. On 4 March 2018, in Salisbury, UK, the former Russian agent Sergei Skripal and his daughter were poisoned with Novichok, a Russian-developed nerve agent prohibited by the

7. <https://www.europarl.europa.eu/news/en/press-room/20190307IPR30737/russia-can-no-longer-be-considered-a-strategic-partner-say-meps>

8. Following the war in Georgia in 2008, the EU had already adopted sanctions against Russia but the line was muddled the following year by the inclusion of Russia in discussions on the Eastern Partnership.

9. <https://www.europarl.europa.eu/news/en/press-room/20190307IPR30737/russia-can-no-longer-be-considered-a-strategic-partner-say-meps>

10. <https://www.europarl.europa.eu/factsheets/en/sheet/177/russia>

11. https://www.lemonde.fr/international/article/2020/03/09/vol-mh17-aux-pays-bas-un-proces-fleuve-pour-quatre-accuses-fantomes_6032282_3210.html (in French)

1993 Chemical Weapons Convention¹²; since at least 2014, Russian media outlets have disseminated fake news, biased news and propaganda in Europe in European languages. Many cyberattacks attributed to Russian hacker groups¹³ target companies and public authorities across the EU.

Today, there is divergence between the EU and Russia on human rights issues: the Navalny case brings into play the fundamentals of European political identity, namely freedom of the press, of association and of expression, and the right to a fair trial¹⁴. This is why the EU has imposed sanctions on Russian judicial officials and enforcement structures¹⁵. As the Russian Federation is a signatory of the European Convention on Human Rights (ECHR), a member of the Council of Europe that can be tried by the European Court of Human Rights and as it has been allowed back into the Council of Europe, it can be condemned for these reasons¹⁶.

Since 2014, the EU has noted that the Russian vision of international relations in general and regional issues in particular is based on a power struggle, destabilisation through conventional and unconventional channels and failure to comply with international rules. This vision of Russia is becoming increasingly acknowledged in the EU which is, however, trapped between several trends.

While the EU has always shied away from seeing itself as a full power, it is obliged to note that it is unsettled by the Russian power that is rapidly being rebuilt as regards military matters and hybrid warfare. It therefore activates the provisions of the Treaty on the Functioning of the European Union to take sectoral and individual measures¹⁷. It accepts to pick up the gauntlet of regional rivalry other than through the technical assistance and loan instruments of the Eastern Partnership. In 2014, as regards Russia, the Council, Parliament and Commission accepted to state the obvious: Russia had stopped being a partner and had become a rival, not only in Europe, but also in the Middle East and in the Eastern Mediterranean. The EU does not give the USA the monopoly on sanctions and rolls out its own strategy rooted in its own strengths.

Lastly, the EU accepts to speak the language of power! It uses the grammar of its own power. In other words, it brings its genuine assets into play: the economy, finance, innovation and health.

B ■ Sanctions, the birth of European power on the continent

An economic power but not a significant player in military terms, the EU is playing to its strengths against the weaknesses of the Federation despite internal disputes¹⁸ between Member States that are culturally close to Russia (Greece, Cyprus, Bulgaria), Members States that are economically and politically in favour of strong relations with Russia (Hun-

12. <https://www.opcw.org/chemical-weapons-convention>

13. <https://www.lopinion.fr/edition/wsj/comment-hackers-russes-servent-ambitions-kremlin-scene-internationale-232762> (in French)

14. https://www.institutmontaigne.org/en/blog/russia-era-navalny-and-biden?_wrapper_format=html

15. <https://www.reuters.com/article/us-russia-politics-navalny-eu-idUSKBN2AM0M2>

16. https://www.lemonde.fr/international/article/2021/02/17/la-cedh-ordonne-a-la-russie-la-liberation-immediate-de-l-opposant-alexei-navalny_6070311_3210.html (in French)

17. Articles 206 and 207, in addition to 216 and 219 of the TFEU.

18. <https://www.consilium.europa.eu/en/policies/sanctions/ukraine-crisis/>

gary, Italy), States that are historically distrustful of Russian and Soviet power (Poland, Baltic States) and a firm Franco-German tandem regarding Ukraine but which is open to dialogue.

Member States therefore suspended bilateral EU-Russia summits from 2014 and the implementation of the 2011 agreement on the exemption of visas for Russian nationals. Outside the EU, the 27 demand that Russia is not invited to the G8, claim to not be in favour of negotiations concerning Russia's membership in the OECD and the IEA.

Economic sanctions aim to reduce the flows of certain goods, transfers of sensitive technologies, access to capital markets and, naturally, to defence exports. In other words, the European Union undertakes to deprive Russia of all it needs for its poorly balanced economic resources. This means that the EU prohibits exports of defence equipment and dual-use goods (civilian and military) as was the case for China following the repression on Tiananmen Square; it stops the export of the most advanced and sensitive technologies used to extract oil and gas, particularly for the gas fields in the Arctic zone; it has limited Russian companies', banks' and administrations' access to European capital markets and ruled on the suspension of funding in Russia by the European Investment Bank (EIB). In this way, it forces Russia to go back to its alliances with former Soviet republics within the Eurasian Economic Union¹⁹.

Above all, Member States also apply targeted, nominative and individual measures in addition to these sanctions. The EU is currently freezing financial assets and applying travel bans for 177 private persons and 48 entities²⁰ deemed to be threatening the sovereignty of Ukraine. It is applying the same treatment to two people who took part in building the bridge on the Kerch Straight and it has just added 4 people to the list who took part in the poisoning of Alexei Navalny on 21 August 2000. This range of measures is conventional, diversified and highly political. Conventional, as it uses levers for action that have already been used, since 2006, against the Islamic Republic of Iran²¹ and North Korea²². Political, as it sets out the EU's defence of its interests and its political principles as a consequence to the fraud surrounding the 2020 elections in Belarus²³. By directly targeting Russian political, administrative and economic figures, the EU is seeking to put pressure on the Russian regime's decision-making circles. In this way, the EU has treated the Federation both as a geopolitical and geoeconomic rival and as a regime with a political line that is hostile to the founding principles of the European project. The Russian Federation has not disappointed. It responded to these sanctions with reprisal sanctions, prohibiting for example exports of foodstuffs to Russia and adopting a list of persons subject to a travel ban in Russia. Those who call for a "geopolitical Europe"²⁴ must consider this sanction policy as a starting point.

19. This structure is made up of Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia and was created by the 2014 Treaty of Astana to establish a free-trade area.

20. [https://eur-lex.europa.eu/eli/dec/2014/145\(1\)/](https://eur-lex.europa.eu/eli/dec/2014/145(1)/)

21. <https://www.consilium.europa.eu/en/policies/sanctions/iran/>

22. <https://www.consilium.europa.eu/en/policies/sanctions/history-north-korea/>

23. <https://www.consilium.europa.eu/en/policies/sanctions/restrictive-measures-following-the-2020-belarus-presidential-elections/>

24. <https://www.telos-eu.com/fr/politique-francaise-et-internationale/le-haut-karabakh-a-besoin-dune-commission-geopolit.html> (in French)

PART 2 ■ WITHSTANDING THE IRANIAN SYNDROME AND DISPELLING THE GULLIVER COMPLEX

Beyond snap judgments, what are the real and tangible consequences of six years of sanctions? It is difficult to assess the results due to the importance of principles. Some believe them to be the only possible recourse towards an authoritarian regime while others rule them out as ineffective or counter-productive on principle. Positions based on human rights principles are battling it out against a Russophilia which is sometimes self-serving²⁵, with all aspects dominated by biased competition with the US sanction system which is stricter towards Russia but more painless for the US economy.

A ■ A united front maintained despite public differences

The most tangible effects of the sanctions are not to be found in Russia, but in Brussels.

The first achievement is the consistent unity of Member States to renew and even add to these sanctions each semester. The EU has stood its ground, even though several European political leaders (Orban²⁶, Salvini²⁷) are calling for a partial de-escalation of sanctions due to their ideological affinities with Vladimir Putin's regime. It has renewed sanctions unanimously, even though Russia did its utmost to heighten internal differences, through traditional solidarity (Cyprus, Greece, Bulgaria), European populist parties, the granting of preferential oil and gas tariffs (Hungary, Italy), the Nord Stream 2 project (Germany) and the supply of masks (Italy) and vaccine diplomacy²⁸ for the Sputnik V vaccine (Italy, Slovakia, Hungary, Austria). The first result of the sanctions is to cement the EU's position towards Russia. European diplomacy towards Russia appears to operate on two footings: on one hand, the EU maintains its sanctions and position of principle on the inviolability of borders, non-interference, respect of fundamental rights and solidarity with the Member States of the Eastern Partnership; and on the other hand, several Member States and candidate countries have launched appeasement initiatives, as France did in the summer of 2019. Is this duality a weakness or a strength? On one hand, Europe's unity is regularly challenged during semi-annual discussions on the renewal of sanctions and, on the other, there is a certain distribution of work between the EU taking a hard line and States advocating appeasement. This is a fine balance that is maintained by what it would cost a State to refuse the renewal of sanctions.

The second concrete effect of these sanctions has been the start of strategic thinking in the EU, admittedly motivated by Chinese ambitions and Trump's hostility to the EU. Previously, the EU still saw itself as a normative power, even though it had already used sanctions as a weapon. From 2014, Russia has forced it to admit to itself that it should develop its own

25. <https://atlantico.fr/article/decryptage/oublions-les-droits-de-l-homme-pour-nous-concentrer-sur-nos-interets-economiques---sommes-nous-prets-a-entendre-ce-que-gerhard-schroder-nous-dit-de-l-allemande-et-de-sa-vision-de-l-europe-cyrille-bret-pierre-verluise> (in French)

26. <https://www.bbc.com/news/world-europe-28801353>

27. <https://www.thelocal.it/20181018/italy-matteo-salvini-russia-sanctions-madness>

28. <https://www.bbc.com/afrique/monde-56008415> (in French)

security. The (considerable) debate on European strategic autonomy is an indirect consequence of the European sanctions policy²⁹.

B ■ Russia under sanctions: inflexible but not indifferent

Today, Europeans must face two facts suggestive of “Iranian syndrome”. Firstly, sanctions are a language that Moscow understands. Yet, secondly, the Russian political and diplomatic line has not fundamentally changed. Like the Islamic Republic of Iran which did not change its regime or regional policy upon sanctions in 2006, Russia has not stopped its interventions against European interests. These sanctions neither discouraged the Russian intervention in Syria in August 2015, nor the interference in Member State airspace, maritime zones and cyberspaces. Nor did they prevent constitutional reform in Russia, in July 2020, or bring about the release of Alexei Navalny or of the thousands of protesters arrested in 2021.

Sanctions are ineffective in that they have not put an end to the factors that triggered and legitimised them. At most, they slowed the Russian advance in Ukraine in 2014. Does this mean that they are of no use and should therefore be relaxed? Indifference is not the natural consequence of ineffectiveness.

The diplomatic sanctions have tarnished Russia’s international status, at least in the West: the country must constantly prove that it has retained its status as an international power. While sanctions heighten its revanchism, they injure its geopolitical pride and force it to constantly remind that it is not isolated³⁰ and that that we are now in a **post-western world**.

Trade and financial sanctions have also restricted Russia’s economic development. From 2014 to 2016, European sanctions on the banking, oil and industrial sectors worsened the economic crisis caused by the fall in global oil prices. In 2015, when European sanctions were most keenly felt, Russian GDP declined by 2% according to the IMF³¹.

Lastly, individual sanctions have put pressure on Russian circles of power: the members of the elite turn to the European Union (and not to China) to travel, receive medical treatment, educate their children and invest their assets where they cannot be seized. Six years on from the implementation of sanctions, their immediate effects were felt in Russia’s general economy and have been mitigated. Several factors have reduced the transmission of economic sanctions towards political changes. Russia replaced imports from the European Union with national productions or alternative suppliers³² (Morocco, Turkey, Israel). It has stepped up the diversification of its gas and ore outlets towards the People’s Republic of China by launching the Power of Siberia³³ project, a giant gas pipeline which supplies northern China from the Lake Baikal region at competitive prices for the Chinese economy.

Politically, sanctions fostered a rally around the flag effect in 2015-2016. However, the economic crisis challenged the Russian social contract of the 2000s. The Putin regime has built

29. https://eeas.europa.eu/headquarters/headquarters-homepage/89865/why-european-strategic-autonomy-matters_en

30. <https://fr.sputniknews.com/analyse/201506151016546396/> (in French)

31. <https://www.imf.org/en/Countries/RUS#ataglance>

32. <https://www.reuters.com/article/ukraine-crisis-food/russia-says-could-replace-any-western-food-sanctions-from-elsewhere-idUSL6NONH1TC20140425>

33. <https://www.icis.com/explore/resources/news/2020/04/30/10503185/gif-inside-story-power-of-siberia-2-s-new-route-makes-russian-gas-supplies-to-china-more-feasible>

itself up on the basis of an exchange of political obedience for sustained economic growth of more than 5% on average³⁴. The sanctions have naturally called into question this political and economic model.

In terms of foreign policy, the sanctions were viewed by Russia as a sunk cost: they leveraged strategic leeway by getting rid of additional inhibitions. The first set of European sanctions was succeeded by the Russian intervention in Syria, then in Venezuela, the Central African Republic and in Libya.

For these sanctions, the short-term inefficacy does not mean there will be long-term indifference. The comparison with the sanctions enforced on Iran³⁵ in 2006 to halt its nuclear programme is illuminating: they did not change the political regime but did contribute, alongside other factors, to the negotiation and subsequent signature of the Nuclear Deal on 15 July 2015. Similarly, with Russia, sanctions cannot bring about immediate and massive effects. They can, however, contribute to establishing a long-term balance of power.

C ■ The difference between perceived and real power: the Gulliver complex

In relation to Russia, the European Union is suffering from a “Gulliver complex”: it is hampered by a poor judgment of its own position of strength in the power struggle with Russia.

Europeans’ (variable) dependence on Russian oil and gas is mirrored by Russian suppliers’ greater dependence on their European clients. In 2019, the EU imported 40% of its gas and 27% of its oil from Russia³⁶. Yet for Gazprom, the European Union accounts for 70% of its outlets. The EU’s dependence on Russian oil and gas is set to fall as it develops an energy security strategy³⁷, diversifies its fossil fuel sources and steps up alternative energy sources under the Green Deal.

As regards trade, the European Union’s position of strength is growing comfortably: while the EU has remained the Russian Federation’s leading trade partner for the last few decades, conversely, Russia is only the EU’s fifth trade partner³⁸, falling from third position in the early 2010s. In 2019, this imbalance was striking: while for the European Union Russia accounted for 4.1% of its goods exports revenues, in return, Russia imported 35% of its goods from the EU and 42% of its exports were to the EU. Trade relations between the EU and Russia put into relation on one side a rentier economy lacking diversification that is dependent on global prices, a poorly disciplined oligopoly, OPEC and energy diversification policies, and on the other a very broad and diversified market in sectors that are insufficiently developed in Russia: machine tools, modes of transport, medication, etc. Europe’s strength in Russia is proportionate to European foreign direct investment in Russia: Europe holds 75% of FDI stock in Russia. Also, Russia turns to Europe and not to China for education, culture and tourism. Once again, the European Union’s appeal to Russians must not be underestimated as a lever for action against the Federation.

34. <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=RU>

35. https://www.lemonde.fr/international/article/2019/07/12/clement-therme-la-crise-irano-americaine-renforce-les-durs-a-teheran_5488604_3210.html (in French)

36. <https://ec.europa.eu/trade/policy/countries-and-regions/countries/russia/>

37. <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52014DC0330&qid=1407855611566>

38. <https://www.tresor.economie.gouv.fr/Pays/RU/commerce-exterieur> (in French)

In other words, Russia needs the EU much more than the EU needs Russia economically speaking.

The European Union overlooks its strategic advantages too. While Russia uses its seat at the United Nations Security Council, its modern military and its defence exports to forge or renew alliances in Syria, Algeria, Vietnam and Turkey, the European Union, however, enjoys larger total defence budgets than Russia. The EU also has a Defence Industrial and Technological Base (DITB) that is potentially a power that could impress Russia.

In relation to Russia, the EU is in a very different situation to that of the USA. The USA clearly has fewer economic interests with Russia than the European Union³⁹. In 2019, Russia was only the USA's 26th economic partner⁴⁰. The volume of bilateral trade was \$13.1 billion compared to €232 billion for EU-Russia trade. This further encourages an uninhibited use of the instruments of its power towards Russia. The USA can adopt stricter sanctions⁴¹ than the European Union towards Russia because its economy is less dependent on Russia and opposition to Russia is a valuable electoral marker in the USA and the promotion of the US alliance in Europe is one of the pillars of American power. It is therefore easy for the USA to encourage the EU to adopt tighter sanctions against Russia: the US reaps the diplomatic benefits without having to pay the same economic costs as Europeans.

The outcome of sanctions is now both tangible and limited: tangible for the EU's strategic awakening, preservation of unity and assertion of power. Yet limited, because Russia's diplomacy, regime and "hybrid warfare" have not changed, in fact the opposite is the case. Europeans must withstand the Iranian syndrome of apathy and dispel their Gulliver complex regarding their mistaken appraisal of the balance of power.

39. https://www.ifri.org/sites/default/files/atoms/files/ifri_gomart_18-07-2014_lacroix_sanctions.pdf (in French)

40. <https://ustr.gov/countries-regions/europe-middle-east/russia-and-eurasia/russia>

41. <https://www.iflr.com/article/b1lp1y2lm6jth3/primer-us-and-eu-sanctions-against-russia>

PART 3 ■ FOR A EUROPEAN STRATEGY ON RUSSIA

Reinforcing the sanctions with a cooperation strategy is now an old idea: in 2016 the High Representative Federica Mogherini had set out Five Principles of “selective engagement” based on interests. Although they only represent the tip of the iceberg, sanctions have been the primary focus both in Brussels and in Moscow.

A ■ European principles or European interests: a false choice

In the absence of concessions from Russia, it is essential that the EU stands its ground on sanctions⁴². This is a question of credibility and unity for the young and flawed European power.

It is also the prerequisite to preserving the EU’s principles, defending its interests as a regional power and to establishing a balance of power conducive to future negotiations with this former partner, now rival. In relation to Russia, the EU does not have to make a choice between its principles and its interests: putting an end to the sanctions would entail compromising its principles *and* yielding regarding its interests. A prime example of this was Russia’s return to the Council of Europe’s Parliamentary Assembly: the Federation had not made a single concession in return for this mark of good will.

It is safe to say that if the European Union were to give up on sanctions unconditionally, Russia would step up its actions against the EU’s economic, military and political interests in the region. Compromising European principles would be perceived in Moscow not as a means of appeasement, but as a sign of weakness and an admission of a surrender of power⁴³. Conversely, defending Europe’s economic and military interests, amongst other aspects, requires remaining firm regarding the sanctions based on principles.

Yet is there an alternative way forward other than stepping up sanctions for the sake of EU principles?

Sanctions are not a policy as they only have a tactical purpose of protest, in rejection of the Russian political line. A sanctions policy is necessary but insufficient as it must be supported by a political direction. The US sanction system is an example of this. Under Donald Trump, sanctions were renewed and heightened. Yet their political effects were cancelled out by the fact that the US public authorities did not share a political direction: the President sanctioned Russia while appearing almost accommodating in his rhetoric. Russia has become an issue of domestic policy, not foreign strategy⁴⁴.

42. <https://www.la Tribune.fr/depeches/reuters/KBN2AM1FD/accord-europeen-sur-de-nouvelles-sanctions-contre-la-russie.html>
<https://www.france24.com/fr/europe/20210222-affaire-navalny-l-union-europ%C3%A9enne-d%C3%A9cide-de-nouvelles-sanctions-contre-la-russie> (in French)

43. <https://www.robert-schuman.eu/en/european-issues/0349-what-should-europe-s-policy-be-towards-russia>

44. <https://www.institutmontaigne.org/blog/ou-en-est-vladimir-poutine> (in French)

B ■ Sanctions as a starting point, a method of give and take

What are the European Union's medium-term goals in relation to Russia? What are Europeans' actual priorities in Russia and towards Russia? These questions must be answered if we are to move beyond the short-sightedness of sanctions.

The European Union faces a crucial choice regarding its goals.

In terms of international law, is it Russian withdrawal from Crimea (best option) or the gradual application of the Minsk Protocol for a ceasefire in Eastern Ukraine (minimum option)? In military terms, is it Russia standing down from its aggressive policy in Europe and in the Middle East (best option)? Or is it the re-establishment of oversight and curtailment mechanisms for legal arms and the prohibition of illegal weapons in Europe (minimum option)? In political terms, is the European Union's goal to change the regime (or even change regime) in Russia? Or is it to support limited democratic inroads and in particular the release of opponents? In economic terms, is it to tackle concentrated wealth and corruption (best option)? Or is it to make Russia better understand its need for European investment, goods and services to bind it to the European economy rather than China?

The primary goal of sanctions is not their continuation or intensification. It is to initiate negotiations from a strong position, or a position of reduced weakness. They are only meaningful to obtain concessions when they are lifted partially, verifiably, gradually and proportionately. It is on this basis of European sanctions and Russian counter-sanctions that discussions can be initiated. Sanctions are their starting point, their method is that of give and take and they are supplemented by a diversification of approaches.

C ■ The Minsk Protocol against the lifting of diplomatic sanctions

The suspension of summits, negotiations and invitations to international forums are the response to the annexation of Crimea and Russia's intervention in the Donbass. The EU should relentlessly propose a reduction of sanctions against Russia without showing any weakness, in exchange for tangible and actual progress in the Minsk Process. As regards Ukraine, mutual concessions are evident and can be ranked on a graduated scale of diplomatic demands: checks by the OSCE that there is no transit of weapons or troops on the borders between Russia and Eastern Ukraine, the withdrawal of heavy artillery, the actual disarmament of militias in the Donbass performed jointly by Russia and the European Union, the real and regular resumption of the Normandy Format negotiation process, the holding of elections overseen by the OSCE in rebel-held territories. In return for these concessions, the EU must take strong action in Ukraine to initiate the reform process and to re-establish Eastern Ukraine in the life of Ukrainian institutions.

Negotiations on diplomatic sanctions must not deviate from their purpose: assigning them the purpose of changing the regime, weakening Russian nationalism or liberalising the Federation would result in no real progress for Ukraine's territorial integrity. Conversely, diplomatic sanctions may be gradually lifted by holding bilateral summits, initially on a technical level and then on a more political level, as the signatories of the Minsk Protocol resume their work and achieve specific results for the pacification of the Donbass, participation in elections and the facilitation of transits between Crimea and Eastern Ukraine.

It is now up to Europeans to launch this initiative aimed at Russia. While there is no room for naivety concerning Russia's position in the Crimea, inaction would condemn Ukraine to maintaining a mutilated long-term sovereignty which would satisfy the Russians.

D ■ Nord Stream 2 against the return of Russia to the INF Treaty

As far as the economy is concerned, the EU must also clarify its goals: restrictions to trade, technology and financial exchanges are designed to discourage Russian interference in Europe, not to combat corruption or liberalise the Federation's economy. As a result, an initiative can be launched towards Russia at a time when GDP has just fallen by 4%⁴⁵ but is set to recover to the same degree, more or less, in 2021. Following the recessions of 2015-2016 and of 2020, ahead of the legislative elections of September 2021 and the presidential elections of 2024, the Russian economy needs to record an upturn of prosperity. This is needed by the political powers to reactivate Putin's social contract: obedience against prosperity.

Once again, the lifting of sanctions must be gradual, verified and conditional as for the mechanism provided for in the JCPoA for the Iranian nuclear programme. For example, a first step could be a partial lifting of restrictions on access to European capital markets, proposed in exchange for a repeal of quotas and prohibitions on foodstuffs imported to Russia from Europe and the dissolution of the regulation naming EU-funded NGOs in Russia as "foreign agents". The Russian banking sector is lagging behind and has a chronic need for investment and the Polish and Baltic agri-food sectors have suffered a great deal from the Russian counter-sanctions⁴⁶. This first step could initiate an initial cycle of economic negotiations and could lead onto more political issues.

A second step could focus on the commissioning of the Nord Stream 2 gas pipeline. The EU has some influence to demand concessions in this area which is essential for Gazprom. Using it to obtain Alexei Navalny's release would be commendable but is doomed to futile failure. Conversely, making the effective launch of Nord Stream 2 conditional on Russia's application of the Intermediate-Range Nuclear Forces (INF) Treaty in Europe would give Germany a key role in the scheme. It is of course justified to condition the opening of this gas pipeline on compliance with security requirements⁴⁷.

E ■ The "Sentsov Strategy" to support Russian civil society

As regards human rights, the European Union has several objectives of differing scopes: the application of rulings by the European Court of Human Rights (ECHR), to which the Russian Federation is committed and regularly accepts, the abrogation of the list of European citizens barred from entering Russia, respect for freedom of the press and freedom to protest, the release of political prisoners.

The imprisonment of Alexei Navalny and of protesters is such a sensitive issue in Russian domestic policy that it cannot be effectively be addressed by sectorial sanctions, be they commercial or financial. In an area in which it is Vladimir Putin's personal authority that is

45. <https://www.worldbank.org/en/country/russia/publication/rer>

46. <https://www.diploweb.com/La-Russie-realites-et-perspectives-economiques.html> (in French)

47. <https://www.telos-eu.com/fr/economie/nord-stream-2-gaz-climat-et-sanctions-americales.html> (in French)

at stake, a trade-off of economic concessions against releases is not at all likely to be successful. In fact, a tightening of actions is actually more likely.

Conversely, to obtain releases, such as that of film director Oleg Sentsov in September 2019⁴⁸, the European Union has several levers of action at its disposal, admittedly of delayed effect: extending individual measures of freezing assets and travel bans for representatives of law enforcement, intelligence agencies and the judiciary is a first step – the stick. The carrot would be the European Union's appeal to young Russians: accompanying a tightening of individual measures aimed at officials and a lifting of entry conditions for students and young workers from Russia to Europe could be a strong message of support for Russian civil society.

The EU's second asset is the vibrancy with which its civil society, MPs (national and European) and intellectuals are mobilised to support Russian opposition in the country and in exile. The Trianon Dialogue, promoted by France as a second-track diplomacy, is only the institutional showcase of this sphere of operation.

The "Sentsov Strategy" would therefore involve holding government discussions with critics in civil society.

Several initiatives could be adopted: to continue to award the Sakharov prize and its European counterparts to Russians who campaign for human rights⁴⁹; to develop Russian-language European digital and broadcasting media outlets to prevent Russia Today and Sputnik from enjoying the monopoly of direct access to civil societies; to renew the Eastern Partnership, particularly in Armenia and Moldova through technical assistance and administrative partnerships, etc. All these actions could be a positive addition to the difficult avenue of official negotiations on sanctions.

F ■ For the FPEU 2022: launch a Helsinki II conference

Strategically speaking, the FPEU is supposed to propose a new Conference on Security and Cooperation in Europe to the EU-27 and Russia⁵⁰, like the one which, from 1973 to 1975 resulted in the signature of the Helsinki Final Act between the USSR, the Member States of the Warsaw Pact and Western nations.

France should take this initiative less as the country which welcomed Putin to the President's official holiday retreat at the Fort de Brégançon, and more as the last EU Member State to be a nuclear power, have a permanent seat on the UN Security Council and have an operational military instrument. The FPEU must refrain from French passions towards Russia⁵¹: the era of the 1894 Franco-Russian Alliance is over, particularly as the war of democracies against Russia cannot be won as it stands.

48. <https://www.lefigaro.fr/international/qui-sont-les-prisonniers-echanges-par-kiev-et-moscou-20190907> (in French)

49. <https://www.telos-eu.com/fr/politique-francaise-et-internationale/femmes-politiques-a-lest-de-lautorite-ethique-au-p.html> (in French)

50. <https://www.telos-eu.com/fr/politique-francaise-et-internationale/sanctionner-encore-la-russie-pour-quoi-faire.html> (in French)

51. <https://www.telos-eu.com/fr/politique-francaise-et-internationale/france-russie-des-relations-passionnelles.html> (in French)

This new Helsinki Conference could include, as the first one did, several “baskets” but would have to adjust their contents to the current needs of European players: while the oversight and curtailment of arms must be the first basket, as in 1973, energy security and the regulation of cyberspace would be clearly be a second economic basket while the protection of minorities and fundamental rights form a third basket.

In the next few months running up to the FPEU, France and Germany could bring together the EU-27 to agree on a negotiation method and agenda to conduct comprehensive discussions from 2022 to 2024, date of the presidential election in Russia and the election of the European Parliament.

CONCLUSION ■ THE MEANS AND THE END

For the time being, the EU’s sanctions against Russia have made a significant impact in Moscow and across the country but have not changed the regime, influenced its foreign policy or helped the opposition to gain any substantial ground. Sanctions are a huge weapon, but of limited use. They are tactical and not strategic.

This policy cements the unity between Member States and above all has launched considerations on the EU’s strategic position in the world.

The ineffectiveness of sanctions does not mean they should be lifted. The direct and indirect political effects will be felt in the long term and the balance of power must be maintained as a prerequisite to future negotiations and discussions. In this power struggle, the EU has the upper hand but will not admit it. This is what stops it from diversifying its levers for action against Russia.

If it can break free from its “Gulliver complex”, it can obtain significant concessions from Russia in the coming years, only if it views sanctions as a basis for negotiation, draws up tangible and limited concessions as a method and does not recant its principles or interests in Russia. Sanctions are a means to an end to obtain concessions that are favourable to Europe in exchange for their controlled lifting.

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