



RUSSIA'S SANCTIONS NARRATIVE IN THE UKRANIAN CRISIS: IMPLICATIONS FOR THE WEST

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Abstract:

This article examines Russia's discursive reaction to sanctions imposed by the West during the Ukrainian crisis. By portraying sanctions as a new form of containment, the Kremlin has been able to rally public opinion behind a narrative framing the crisis as the consequence of Western hegemonic ambitions against resurgent Russia. Further, withstanding and countering Western sanctions has been presented as a test of Russia's ability to remain a Great Power. As a consequence, even if sanctions were to be lifted, Moscow's relationship with the West would remain deeply problematic. Russia's foreign policy is therefore likely to remain assertive in the years to come.

Keywords: European Union sanctions policy, Russian foreign policy, discourse analysis, normative hegemony

Título en Castellano: *La narrativa rusa sobre las sanciones en la crisis de Ucrania: Implicaciones para Occidente*

Resumen:

Este artículo examina la reacción en el discurso ruso a las sanciones impuestas por Occidente durante la crisis de Ucrania. Presentando las sanciones como una nueva forma de contención, el Kremlin ha sido capaz de reunir a la opinión pública detrás de una narrativa que define la crisis como la consecuencia de las ambiciones hegemónicas de Occidente contra una Rusia que resurge. A lo que se añade que resistir y contrarrestar las sanciones occidentales se ha presentado como un test de la capacidad rusa por mantenerse como una gran potencia. En consecuencia, incluso si las sanciones se levantaran, las relaciones de Moscú con occidente seguirían siendo profundamente problemáticas. De esta forma, la política exterior de Rusia probablemente permanecerá firme y enérgica en los años venideros.

Palabras clave: *Política de sanciones de la Unión Europea, Política exterior de Rusia, análisis del discurso, hegemonía normativa*

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1. Introduction

The Ukrainian crisis, triggered by president Yanukovich's *volte-face* on the signing of an Association agreement with the European Union, resulted in an unprecedented escalation between Russia and the West. The demise of president Yanukovich in February 2014, culmination of the Euromaidan protests, was largely interpreted in the Kremlin as a foreign sponsored operation aiming at rolling back Russian influence in the region. For the Russian leadership, the Ukrainian revolution was perceived as a direct threat to Moscow's own regional integration project and global standing. The violation of Ukraine's territorial integrity through the annexation of the Crimean peninsula and the subsequent destabilization of the Donetsk and Luhansk regions were presented in Moscow as "indigenous reactions" against perceived Western encroachments in a State that throughout history, always occupied a central place in Russia's geopolitical and cultural landscape.

Faced with the most serious crisis with Russia since the end of the Cold War, European leaders managed to agree on a common position. The European response took the form of several sanctions packages, or "restrictive measures" in EU parlance. The first wave of sanctions targeting individuals involved in the destabilization of Ukraine entered into force on March 17th 2014. The list of individuals and entities subjected to travel bans and asset freezes was then extended, mirroring the deterioration of the situation on the ground. A turning point was reached on July the 17th 2014, with the downing of flight MH17 over separatist-held territory. This tragedy triggered the adoption of a new wave of individual sanctions, as well as additional measures targeting Russia's access to capital markets, arms trade, so called *dual-use goods* and a ban on technology transfers in the crucial oil and gas industries.

Since then, EU sanctions have been extended on several occasions² (September 2014, November 2014, February 2015), while restrictive measures already in place have been renewed. In articulating a response, the EU used its whole arsenal of CFSP sanctions. However, despite the growing pressure applied by the EU and its Western allies, Russia has been willing and capable of offering systematic resistance. Further, Russia has not only signaled non-compliance with regards to Western sanctions, but has consistently replicated to each new wave of sanctions with countermeasures of its own³.

Sanctions against Russia constitute an unprecedented challenge for the EU and its Western allies. In this respect, Moscow's economic weight and political clout made its tit-for-tat strategy sustainable in the short and medium terms. This should not come as a surprise. As early as 1967, Johan Galtung identified "external economic vulnerability" as a key determinant for success in his classical study of UN sanctions against Rhodesia⁴. Yet, in the very same article, J. Galtung rightly pointed out that even in the case of severe economic vulnerabilities, economic pain caused by sanctions does not automatically lead to the political

² Dreyer Iana and Luengo-Cabrera, José (ed): "On target? EU sanctions as security policy tools", ISS Report N°25, September 2015.

³ *The new deterrent? International sanctions against Russia over the Ukrainian crisis, impact, cost and future action*, Programme for the Study of International Governance (PSIG), University of Geneva, October 2016, p. 7 at

<http://graduateinstitute.ch/files/live/sites/iheid/files/sites/internationalgovernance/shared/The%20New%20Deterrent%20International%20Sanctions%20Against%20Russia%20Over%20the%20Ukraine%20Crisis%20-%20Impacts,%20Costs%20and%20Further%20Action.pdf>

⁴ Galtung, Johan: On the Effects of International Economic Sanctions: With Examples from the Case of Rhodesia, *World Politics*, Volume 19, Nº 3 (April 1967), p. 385.



disintegration of States targeted by strict sanctions regimes. According to Galtung, this naïve "conveyor belt" mechanism is misleading. Sanctions imposed by external powers may indeed lead to a form of political integration, as "the attack from the outside is seen as an attack on the group as a whole, not only a fraction of it"⁵. Patriotic mobilization in reaction to external sanctions, also known as the "rally round the flag" effect, has since then been documented in various sanctions episodes around the globe.

Consequently, this article will explore two aspects of Russia's reaction to Western sanctions during the Ukrainian crisis. It will focus on the dissemination of a sanction narrative used to rally public opinion around a wider anti-Western discourse in support of Russia's counter-hegemonic strategy in international relations. These two components, reactivating cultural references to the Soviet and Imperial eras, can be summarized as *resurgent containment* and *Great Power ethos*.

2. Sanctions as containment or Russia under siege

The Russia official narrative on sanctions reactivated geopolitical fears of encirclement by portraying the West as a hostile bloc, seeking to cut off Russia from the outside world. In projecting this threatening image, selected historical references have been used to highlight continuity with the Soviet and Imperial periods. Further, Russia's official narrative denounced sanctions as illegitimate bullying tactics violating previously agreed standards of international law. This effort has to be connected to a wider attempt at ending western "normative hegemony", that is to say eroding the Western dominance over the interpretation of international law, presented as an historical injustice contradicting Russia's traditional aspiration to act as an independent center of power in international relations. According to the Kremlin's narrative, sanctions were to be treated as another attempt by the West to contain Russia's growing capabilities and resolve to defend its "national interests". This argument was for instance put forward by V. Putin in his March 18 2014 address, given in front of Russia's top officialdom gathered in the Kremlin:

"In short, we have every reason to assume that the infamous policy of containment, led in the 18th, 19th and 20th centuries, continues today. They are constantly trying to sweep us into a corner because we have an independent position, because we maintain it and because we call things like they are and do not engage in hypocrisy. But there is a limit to everything. And with Ukraine, our western partners have crossed the line, playing the bear and acting irresponsibly and unprofessionally"⁶.

With this reference to containment, pillar of the US Cold War doctrine against the Soviet Union, V. Putin inserts Western sanctions in a wider narrative of geopolitical insecurity. Sanctions are used as evidence to demonstrate that the West has always sought to isolate Russia, precisely because this country defines itself as a rival center of power, unwilling to accept Western normative hegemony. Now that Russia's power is on the rise again, the West seeks to contain it by resorting to political and economic pressure. The same historical thread was refined by Prime Minister Medvedev in December 2014, during the plenary session of the Sochi 2014 Investment Forum. On this occasion, Prime Minister Medvedev referred to Russia's 25 year-old commitment to develop strong relations with the West and integrate Russia into the global economy. The year 2014 is then presented as a turning point, with an

⁵ *Ibid.* p. 389

⁶ Putin, Vladimir: *Address by the President of the Russian Federation*, 18 March 2014, at <http://en.kremlin.ru/events/president/transcripts/20603>



aggressive West ignoring Russia's "national interests" in relation to Ukraine. According to this narrative, behind false concerns for Ukraine's territorial integrity and respect for international law, the West actually seeks to prevent Russia from defending its interests. Sanctions play a key role in what is presented as containment under a new guise: what the West actually wants is to force Russia into submission by applying economic pressure on the country. Reviving Russia's traditional fears of hostile encirclement, Prime Minister Medvedev goes on to list restrictions previously introduced by the West against the Soviet Union:

"Over the last century, Russia has repeatedly faced various sanctions. [...] In 1925 Western nations, including the United States, stopped accepting payments in gold equipment. In 1932, imports from the Soviet Union were totally banned. In 1949, the Coordinating Committee for Multilateral Export Controls, the infamous CoCom, compiled a list of products and technologies that could not be exported to the Soviet Union in line with a strategy of controlled technological inferiority. In 1974 the Jackson-Vanik amendment we all love so much was enacted, making normal relations with the United States impossible"⁷.

At about the same time, an even more radical version of the same argument was delivered by V. Putin during his December 2014 address to the Federal Assembly :

"I'm sure that if these events had never happened, if none of that had ever happened, they would have come up with some other excuse to try to contain Russia's growing capabilities, affect our country in some way, or even take advantage of it"⁸.

This remark, implying that the West uses various pretexts to weaken and isolate Russia, is telling in light of V. Putin's previous interpretations of Western policies over the last decade. From Color revolutions to Western sanctions over Ukraine, V. Putin and his circle detect a pattern of Western unilateral decisions directed against Russia's strategic interests. In this respect, sanctions are perceived as yet another manifestation of what the official narrative refers to as Western "double standards": the selective interpretation of international law to suit one's interests.

2.1 Unauthorized sanctions: Russia's legal offensive

Apart from using carefully picked historical references to paint the West as a perpetual geopolitical threat, another key dimension of Russia's sanctions discourse revolves around the legality of unilateral restrictive measures imposed outside of the United Nations framework. Russian top officials stated on numerous occasions that Western sanctions are in breach of international law. In April 2014, Sergey Ryabkov, one of Russia's Deputy Foreign Ministers, for instance declared:

"Unilateral extraterritorial sanctions are illegitimate as such. They are contrary not just to the norms of civilized interstate communication and the organization of international affairs, but also contrary to the requirements of international law"⁹.

⁷ Medvedev, Dmitri: *Address at the plenary session of the Sochi 2014 International Investment Forum*, September 2014, at <http://www.russianmission.eu/en/news/prime-minister-dmitry-medvedev%E2%80%99s-address-sochi-2014-international-investment-forum>

⁸ Putin, Vladimir: *Presidential Address to the Federal Assembly*, 4 December 2014, at <http://en.kremlin.ru/events/president/transcripts/47173>

⁹ Ryabkov, Sergey: *Comment by the Russian Deputy Foreign Minister, Sergey Ryabkov, to the question of ITAR-TASS agency regarding introduction of anti-Russian sanctions by the United States*, 28 April 2014, at:



V. Putin gave a similar assessment in his September 2015 interview to US channels CBS and PBS:

"You know, the sanctions, as I said, are illegal actions, destroying the principles of the international global economy, the principles of the WTO and the UN. The sanctions may be imposed only by the decision of the UN Security Council. A unilateral imposition of sanctions is a violation of international law"¹⁰.

In legal terms, this statement appears highly questionable. The current majority view among international law scholars is that sanctions imposed by States or regional organizations outside of the UN framework are in principle legal¹¹. As Michael Brzoska recalls in an article devoted to this issue, the majority view is that sanctions are legal even when they are running against previous international obligations, "as long as they occur in response to a prior violation of international law by the sanctioned entity"¹², which is the case in Crimea and Eastern Ukraine, even if Russia took great care in maintaining plausible deniability by deploying a legal cover through the clever use of self-determination. As for the reference to WTO principles, the legal argument is not extremely convincing either. Article 21 of the GATT expressly grants States the faculty to introduce sanctions and restrictions going against other provisions of the treaty "for reasons of national security"¹³. Finally, the claim that non UN-sanctions are violating international law is usually based on Chapter VII of the UN charter dealing with coercive measures. If Chapter VII creates a framework for the adoption of UN sanctions, the Charter doesn't mention any interdiction for States or regional organizations to implement sanctions outside of this framework. In fact, Chapter VIII even recommends the adoption by regional organizations of "non forceful measures for the maintenance of peace and security"¹⁴.

However, if the grounds for challenging the legality of unilateral sanctions are limited, Russia's stance reflects a strong political reality: an increasing number of States are challenging the legality of non UN-sanctions. In 2014, a resolution of the UN General Assembly urging "all States not to adopt any unilateral measures not in accordance with international law and the Charter that impede the full achievement of economic and social development by the population of the affected countries" and condemning "the continuing unilateral application and enforcement by certain Powers of unilateral coercive measures"¹⁵ was passed. The non-binding resolution was supported by a significant total of 134 States. Aware of this growing political reality, Russia took the lead in challenging Western normative hegemony in the field of sanctions and beyond. Since sanctions are overwhelmingly introduced by the West, i.e. the USA and the EU, against States of the East or South, Russia can present itself as the natural champion of all nations that might at some point be targeted by Western restrictive measures.

Russia's legal offensive is not limited to the issue of sanctions. Building on its newfound strength, Russia tries to position itself as a rival hub for the interpretation of international

http://archive.mid.ru/bdomp/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/89a5b4d64bd857a444257cca0054ed5d!OpenDocument

¹⁰ Putin, Vladimir: *Interview to American TV channels CBS and PBS*, September 29 2015, at

<http://en.kremlin.ru/events/president/news/50380>

¹¹ Brzoska, Michael: "International sanctions before and beyond UN sanctions", *International Affairs*, Vol. 91, Nº 6, (November 2015), pp. 1339–1349.

¹² *Ibid.* p. 1345

¹³ *Ibid.*

¹⁴ *Ibid.* p. 1346

¹⁵ *Ibid.* p. 1345



law¹⁶. This interpretation favors a traditional understanding of State sovereignty, coupled with the right of every great power to defend whatever it perceives as falling into the category of "national interests". The core of this argument was put forward on numerous occasions over the recent years. During his 2014 address at the Valdai Forum, V. Putin for instance summarized Russia's resentment with "double standards", and signaled his willingness to end what he basically considers an historical injustice:

"Whatever Jupiter is allowed, the Ox is not. We cannot agree with such an approach. The Ox may not be allowed something, but the bear will not even bother to ask permission. Here we consider it the master of the taiga, and I know for sure that it does not intend to move to any other climatic zones - it will not be comfortable there. However, it will not let anyone have its taiga either"¹⁷.

With this rather transparent wildlife metaphor, the president of Russia conveys a clear message. It will no longer bother to play by laws it sees as unfair and biased in the West's favor. For its part, the taiga image is meant to show that Russia will not tolerate any further encroachment in what it considers its natural "hunting ground", now besieged and threatened by Western unilateralism, - including but not limited to - the imposition of sanctions. For this reason, Russia keeps lecturing the West on the fact that the United Nations remain the only legitimate framework for taking decisions involving the use of force. As a permanent member of the UN Security Council, Russia sees the UN as a central tool for keeping its leverage and influence in international affairs. Russia's UN status also provides a powerful guaranty, by ensuring Russia can veto any decision perceived as running against its current formulation of "national interest". However, if Russia defends a conservative understanding of international law when existing rules are in its favor, this is not always the case. Events in Crimea showed in this regard that Russia can also engage in selective legal revisionism, when it perceives it as compatible with its broader agenda of challenging Western hegemony.

3. Sanctions as a test of national will: "Great Power Russia" against the West

In framing Russia's reaction to Western sanctions, Russia's political elites also relied heavily on the depiction of Russia as an independent Great power, strong enough to shield itself from foreign pressure. The argument can be subdivided into two parts. In a first stage, Western sanctions are presented as ineffective, since in contrast to the nineties, Russia has now regained enough self-confidence and strength to resist. In a second stage, sanctions are presented as an opportunity to increase economic independence by generalizing import substitution schemes, while speeding up the reorientation of Russia's foreign policy toward the BRICS.

3.1 Greatness or collapse

In his January 2016 interview to the German newspaper Bild, V. Putin made a surprising confession: Russia has made a major mistake over the last 25 years, and is therefore partly to blame for the current situation:

¹⁶ *Ibid.*

¹⁷ Putin, Vladimir: *speech at the plenary session of the Valdai Discussion Club*, 24 October 2014, at <http://en.kremlin.ru/events/president/transcripts/46860>



"We have failed to assert our national interests, while we should have done that from the outset. Then the whole world could have been more balanced"¹⁸.

In Vladimir Putin's opinion, Russia's major sin was its relative weakness during the nineties. According to the official narrative, following the collapse of the Soviet Union, the West took advantage of Russia's domestic hardships to achieve world hegemony. According to Russia's president, during this critical period, the very existence of the State was put at risk. Appointed Prime Minister in August 1999, V. Putin had to manage souring relations with the West over Chechnya. Moscow was particularly angered by the setting up in the USA of an American Committee for Peace in Chechnya, which pushed for a diplomatic solution to the conflict. In addition, Chechen separatist leader Aslan Maskhadov turned directly to the United States for assistance¹⁹. These initiatives strongly reinforced Cold War perceptions of the Russian establishment, already prone to see the hand of the United States in any crisis around the world. In Ukraine and Crimea, these perceptions resurfaced. Yet as V. Putin stated, the context was different. Russia was this time strong enough to defend its assertive understanding of national interest:

"This year we faced trials that only a mature and united nation and a truly sovereign and strong state can withstand. Russia has proved that it can protect its compatriots and defend truth and fairness. Russia has done this thanks to its citizens, thanks to your work and the results we have achieved together, and thanks to our profound understanding of the essence and importance of national interests"²⁰.

According to the official reading of events, the resurgence of Russia's economic and military capabilities made the country strong enough to sustain the pressure: Great Power Russia has passed the test of national will by successfully challenging the West over Crimea. In this narrative, the annexation of Crimea is meant to demonstrate that Russia has finally recovered from the previous era of domestic turmoil and international marginalization. Further, in a rather Darwinist depiction of international relations, president Putin makes clear that the country cannot afford anymore to appear weak or divided:

"If for some European countries national pride is a long-forgotten concept and sovereignty is too much of a luxury, true sovereignty for Russia is absolutely necessary for survival"²¹.

This fragment captures well the official understanding of what is considered "true" sovereignty. As we already know, for V. Putin a country is really sovereign when it has reached self-sufficiency and is therefore capable of conducting an independent foreign policy at the global level. In other words, achieving and defending genuine sovereignty is only possible for a handful of Great Powers. Maintaining Russia's membership in this exclusive club is then connected to the very survival of the State. Hence, Russia has no choice but to resist to Western sanctions. Since Russia's interest commands that it should remain a Great Power to ensure its survival, yielding to foreign pressure would deal a mortal blow to its

¹⁸ Putin, Vladimir: *Interview to German newspaper Bild*, 11 January 2016, at <http://en.kremlin.ru/events/president/transcripts/statements/51154>

¹⁹ Hill, Fiona and Gaddy, Clifford G: *Mr. Putin, operative in the Kremlin*, Brookings Institution Press, Washington DC, 2015, p. 301

²⁰ Putin, Vladimir: *Address by the President of the Russian Federation*, 4 December 2014, at <http://en.kremlin.ru/events/president/news/47173>

²¹ *Ibid.*



status, thereby threatening the unity of the State V. Putin has sought to consolidate during his presidential terms.

Further, Russia's status as a Great Power capable of defending its interests is opposed to Europe, pictured as powerless and under foreign influence. From Kosovo to Ukraine, negative perceptions accumulated during major crises of the last sixteen years have convinced Russia's top leadership that the EU was actually nothing more than a US satellite seeking to prevent Russia's resurgence as a Great Power. This view finds particularly strong echoes in the Cold War style *communiqués* on sanctions published by Russia's Ministry of Foreign Affairs. In an official comment following the adoption by the EU of unprecedented sectoral economic sanctions in July 2014, the decision was plainly attributed to US pressure:

"We are ashamed for the European Union, which after long seeking its own "unified voice" started to speak with Washington's voice and has almost thrown away basic European values"²².

Reactivating another Cold War image, Russia denies any independent *actorness* to the EU. Disregarding numerous evidence pointing that EU sanctions were actually the product of a carefully balanced compromise between Member-States in which Chancellor Merkel's resolute stance played a decisive role²³, Russia claims that the European Union is simply doing Washington's bidding. This helps in turn painting sanctions episodes as a simple, binary conflict between a malevolent Western bloc led by the United States, and a resurging Russia challenging the West. Sanctions are then presented as doomed to fail, since Russia's status of Great Power means it has accumulated enough resources to sustain the blow. As V. Putin made it clear in October 2014:

"Let me stress that Russia is not going to get all worked up, get offended or come begging at anyone's door. Russia is a self-sufficient country"²⁴.

By stating that sanctions are unlikely to force Great Power Russia into compliance, V. Putin is probably right. A quick survey of sanctions regimes of the last 25 years shows that these measures have rarely brought about a radical change of policy in targeted countries, let alone against major players. Thomas Biersteker and Peter A.G. van Bergeijk for instance suggest an overall rate of success below one case in four instances²⁵. Yet, if success understood in terms of coercion is exceptional, it would be extremely naïve to assume that Western leaders had any expectation that sanctions would actually cause Russia to reverse its policies in Ukraine. Rather, the way in which EU sanctions were designed indicates that primary goals were different. In addition to linking its most significant sanctions package to the implementation of the Minsk II protocol, the EU took great care in focusing on specific individuals involved in the destabilization of Ukraine. Further, even sectoral sanctions were designed as to inflict

²² Ministry of Foreign Affairs of the Russian Federation, *Comment by the Russian Ministry of Foreign Affairs regarding further anti-Russian sanctions agreed by the European Union*, 30 July 2014, at http://archive.mid.ru/bdomp/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/eb2dd70af73db3ec44257d27005bfd9d!OpenDocument

²³ Dempsey, Judy: *A who's who guide to EU sanctions on Russia*, Carnegie Europe, 20 March 2014, at <http://carnegieeurope.eu/strategieurope/?fa=55036>

²⁴ Putin, Vladimir: *speech at the plenary session of the Valdai Discussion Club*, 24 October 2014, at <http://en.kremlin.ru/events/president/transcripts/46860>

²⁵ Biersteker, Thomas and van Bergeijk, Peter A.G: "How and when do sanctions work? The evidence", in Iana Dreyer and José Luengo-Cabrera (ed): *On target? EU sanctions as security policy tools*, ISS Report n°25, September 2015, p. 19



moderate economic pain by focusing on mid and long term effects. This is particularly obvious in the case of economic sanctions affecting the strategic oil and gas sector²⁶. These targeted measures introduced a ban on the export of oil exploration and drilling equipments. Critically important for costly new projects such as developing offshore and arctic gas fields, these sanctions are currently not impacting oil production levels in Russia. All in all, these elements strongly suggest that the EU sought above all to send a political message of support to Ukraine, while deterring Russia from escalating the conflict even further²⁷. However, the fact that V. Putin reading of EU motives for imposing sanctions does not correspond to reality should not come as a surprise. This aspect of the sanctions narrative aims above all at projecting an image of strength and resolve against Western sanctions, thereby showcasing Russia's successful reclaiming of its Great Power status, understood as the ultimate guaranty of State survival.

3.2 Sanctions as an economic opportunity

In addition to testing the resilience of Great Power Russia, the official narrative makes a virtue of necessity by presenting sanctions as an economic opportunity. According to Russia's executive duo, Western sanctions can work as a powerful incentive to develop domestic industries. This approach was formalized soon after the introduction of Western sanctions and Russian countermeasures, when a new buzzword appeared in Russian politics: *importozameshenye*, or import substitution. The sudden imposition of sanctions meant that a wide range of products and technologies were no longer available on the Russian market. As a consequence, national businesses should be strongly encouraged to fill the gap with goods and services produced in Russia. In the process, Russia would become less dependent on the West and would make headways toward diversifying its resource-based economic model. President V. Putin summarized the logic during his September 29 2015 interview to American TV channels:

"Today, amid the sanctions, we cannot buy or we are afraid that we will be denied access to hi-tech goods, and we had to deploy large-scale programs to develop our own high-tech economy, industry, manufacturing and science. In fact, we would have to do this anyway, but we found it difficult as our own domestic markets were filled with foreign products, and we found it very difficult to support our local manufacturers within the WTO regulations. Now, with the sanctions imposed and our partners having left our market voluntarily, we have an opportunity to develop"²⁸.

In other terms, sanctions are described as providing Russia with a window of opportunity to lessen its dependence on Western products and services. In a country in which according to recent data, oil and gas revenues account for nearly 70% of the total value of exports²⁹, petrodollars have indeed been massively used to import manufactured goods and hi-tech products from the West during the 2000-2008 period of steady economic growth. Commonly referred to as the Dutch disease, this addiction to oil revenues hampering manufacturing industries even affected Russia's enormous military-industrial complex inherited from the Soviet Union. Rapid technological changes and years of neglect have led to a situation in

²⁶ Secrieru, Stanislav: *Russia under sanctions: assessing the damage, scrutinising adaptation and evasion*, The Polish Institute of International Affairs, November 2015, p. 25 at https://www.pism.pl/files/?id_plik=20910

²⁷ *Ibid.*

²⁸ Putin, Vladimir: *Interview to American TV channels CBS and PBS*, 29 September 2015, at <http://en.kremlin.ru/events/president/news/50380>

²⁹ US Energy Information Administration: *Russia profile*, at https://www.eia.gov/beta/international/analysis_includes/countries_long/Russia/russia.pdf



which up to 90% of all electronic components in Russian weaponry are currently imported³⁰. Even agriculture and food production display some significant vulnerabilities and have to be supplemented by imports. One quarter of all meat consumed in the country was for instance imported from abroad in 2012, while the figure reached 69% in the case of fruits³¹.

For a resurgent power aspiring to put an end to Western normative hegemony, economic dependency poses an enormous challenge. On this account, not so distant historical events highlight the difficulty of conducting an assertive foreign policy from a position of relative weakness. Even during the brief period of the early nineties during which Russia favored integration into Western structures, clashes occurred on a regular basis. In 1993-1994, the status of Russian communities in the Baltic States became a major irritant in the relationship. Post-Soviet Russia tried to link the withdrawal of remaining Russian troops in the Baltic States to the granting of citizenship to Russian minorities. However, Western economic pressure, in the form of threats to suspend vital loans to help stabilizing the Russian economy forced Russian foreign minister Kozyrev to back down³². As a result, Russian troops had to leave the Baltic States altogether.

More recently, president Putin referred to another episode showing the danger of financial vulnerability abroad: the 2013 Cyprus bailout aiming at preventing a collapse of the island entire financial sector. The terms of the deal included a significant levy or "haircut" on large deposits held in Cypriot banks, a traditional investment and offshore hub for wealthy Russians. The bailout plan was harshly criticized by Russian politicians, with Prime Minister Medvedev referring to "confiscation" of Russian assets³³. This trauma in turn helped to justify relocating funds to Russia, while attempting to strengthen financial institutions at home. Then, Western sanctions imposed one year after the infamous "Cyprus confiscation" gave additional incentives to reduce foreign exposure:

"The well-known Cyprus precedent and the politically motivated sanctions have only strengthened the trend towards seeking to bolster economic and financial sovereignty and countries' or their regional groups' desire to find ways of protecting themselves from the risks of outside pressure"³⁴.

Matching words with actions, several steps have been taken to reduce foreign exposure, perceived as a serious impediment to an efficient defense of Russian national interests. Thus, in response to Western sanctions affecting several Russian banks, authorities started developing a national payment card system called *Mir*. A long-term project fraught with technical difficulties, the *Mir* system should nevertheless gather pace in 2016-2017, with strong support from Russia's Central Bank³⁵. By the same token, Russia seeks to sever ties with the SWIFT interbank payment system. Starting from August 2014, plans started circulating about setting up a domestic alternative that would effectively shield Russia from

³⁰ Haukkala Hiski and Popescu Nicu (ed): 'Russian Futures: horizon 2025', ISS Report, Nº26, March 2016, 87p.

³¹ Food and Agriculture Organization of the United Nations, *Russia's restrictions on imports of agricultural and food products: An initial assessment*, p. 1, at <http://www.fao.org/3/a-i4055e.pdf>

³² Hill, Fiona and Gaddy, Clifford G: *Mr. Putin, operative in the Kremlin*, Brookings Institution Press, Washington DC, 2015, p. 35

³³ Trenin, Dmitri: *Russia kisses Cyprus good-bye*, Carnegie Europe, 5 April 2013, at <http://carnegieeurope.eu/strategieurope/?fa=51426>

³⁴ Putin, Vladimir: *speech at the plenary session of the Valdai Discussion Club*, 24 October 2014, at <http://en.kremlin.ru/events/president/transcripts/46860>

³⁵ Secrieru, Stanislav: *Russia under sanctions: assessing the damage, scrutinising adaptation and evasion*, The Polish Institute of International Affairs, November 2015, p. 50 at https://www.pism.pl/files/?id_plik=20910



external pressure³⁶. Further, substantial subsidies have been earmarked by the government to boost import substitution in the food sector. In 2015, a government commission on import substitution started working on concrete measures. It has so far allocated 800 million dollars to domestic agro-producers³⁷. In sum, by placing self-sufficiency on top of the agenda, sanctions marked a symbolic rupture with previous hopes of creating a virtuous interdependency with Western economies. On the contrary, foreign exposure now constitutes a threat that should be reduced, even at the cost of significant economic hardship for Russia. Finally, trying to address economic vulnerabilities, the Kremlin increasingly makes use of another argument: as a Eurasian power, Russia can rely on its "Eastern vector" to compensate for deteriorating relations with the West³⁸. As early as 2006, foreign minister Lavrov emphasized the necessity of a greater balance between these two dimensions of Russian diplomacy. Introducing the concept of "multivector diplomacy", Sergey Lavrov argued in a long article for building complementary partnerships with Russia's Eastern and Western neighbors³⁹. Besides reflecting an unquestionable economic reality, the rise of Asia and in a broader sense, of non-Western actors performs a key role in Great Power Russia's struggle against Western hegemony. It provides a political basis for building a new consensus in international relations that would finally put an end to Western dominance. Russia's recent efforts in promoting the BRICS format illustrate well this point. V. Putin was the key figure propping up BRICS (Brazil, Russia, India, China and South Africa), with the hope of setting up a genuine coalition of emerging powers, willing to embrace Russia's counter-hegemonic agenda.

Following the introduction of restrictive measures, the BRICS gained even more prominence in the official narrative. In a July 15 2014 interview to Russian news agency ITAR-TASS, president Putin basically presented the BRICS as a shield against Western sanctions:

"One more important question we are going to raise at the summit is the increasing cases of unilateral sanctions. Recently Russia has been exposed to a sanction attack from the United States and its allies. We are grateful to our BRICS partners who have criticized such practices in different forms. Together we should think about a system of measures that would help prevent the harassment of countries that do not agree with some foreign policy decisions made by the United States and their allies, but would promote a civilized dialogue on all points at issue based on mutual respect"⁴⁰.

With the Western vector of Russia's foreign policy crippled by sanctions, Russia is left operating on one engine. The BRICS have become instrumental for coping with economic and political pressure. At the symbolic level, increased interactions with BRICS countries

³⁶ Trenin, Dmitri: *Russia's breakout from the Post-Cold War system*, Carnegie Moscow Center, December 2014, p. 20 a: http://carnegieendowment.org/files/CP_Trenin_Putin2014_web_Eng.pdf

³⁷ Secieru, Stanislav: *Russia under sanctions: assessing the damage, scrutinising adaptation and evasion*, The Polish Institute of International Affairs, November 2015, p. 61, at https://www.pism.pl/files/?id_plik=20910

³⁸ *The new deterrent? International sanctions against Russia over the Ukrainian crisis, impact, cost and future action*, Programme for the Study of International Governance (PSIG), University of Geneva, October 2016, p. 23, at

<http://graduateinstitute.ch/files/live/sites/iheid/files/sites/internationalgovernance/shared/The%20New%20Deterrent%20International%20Sanctions%20Against%20Russia%20Over%20the%20Ukraine%20Crisis%20-%20Impacts,%20Costs%20and%20Further%20Action.pdf>

³⁹ Lavrov, Sergey: *The Rise of Asia, and the Eastern Vector of Russia's Foreign Policy*, *Russia in Global Affairs*, nº3, July-September 2006, at http://eng.globalaffairs.ru/number/n_6865

⁴⁰ Putin, Vladimir: *Interview to news agency ITAR-TASS*, 15 July 2014, at <http://en.kremlin.ru/events/president/transcripts/46218>



help to demonstrate that Russia is not isolated and cooperate actively with countries that are shaping the future. Then, in more practical terms, Russia's top leadership envisages the BRICS as a critical mass strong enough to counterweight Western dominance, or in V. Putin terms, "to prevent the harassment of countries" by the West. Several BRICS-related projects have been floating around.

The day after his interview, V. Putin flew to Fortaleza, Brazil, to attend a BRICS summit. On this occasion, a New Development Bank was established, with an initial capital of 50 billion dollars. For Russia, a country in which the memory of the humiliating 1998 default is still very much alive, the BRICS reserve funds works as an additional guaranty against foreign exposure and crisis spillover. In the same way, several Russian officials pleaded for embedding the Russian version of the SWIFT system currently under development into the BRICS format⁴¹.

Convinced that the West has vowed to prevent Great Power Russia from being able to defend its conception of national interests, president Putin capitalized on the general discontent with Western-dominated institutions to set up an alternative framework in which Russia would play a front role, along with China and India. In this sense, BRICS integration is not an end in itself but rather a tool among others wielded by Russia to advance its counter-hegemonic agenda. However, as several commentators rightly point out⁴², given that each BRICS member has its own set of objectives, embedded in country-specific political cultures, the viability of this endeavor remains an open question. Only time will tell if Russia's efforts to build a political coalition willing to directly challenge Western rules and institutions will be successful.

4. Conclusion

A critical juncture in terms of its relations with the West, Russia's reaction to sanctions combined ostensive non-compliance with systematic retaliation. As such, it constitutes a peculiar and challenging case, standing out markedly from other sanctions regimes currently in place in the world.

If Russia's material capabilities were obvious enabling factors for non-compliance, to be understood, Russia's reaction has to be inserted in a much wider historical thread. This process fueled by accumulated grievances saw the progressive reconfiguration of Russia's dominant perception of the West, which in less than 25 years, moved from the position of role model to that of Russia's chief *nemesis*. The immediate consequence of this reconfiguration was a gradual shift away from cooperation toward a more assertive foreign policy. The 2013 Ukraine crisis marked the culmination of this process. Russia's reaction to Western sanctions actually signaled the final stage of this reconfiguration, with Russia's foreign policy now fully articulated in opposition to the West. In this respect, Russia's official discourse on sanctions largely contributed to cement this anti-Western turn among the general public.

By mobilizing selected historical references and a traditional sense of geopolitical insecurity, the official narrative connected sanctions to previous containment policies, thereby framing the crisis as a clash between a resurgent Russia and a Western bloc seeking to isolate the country. Further, the official narrative presented sanctions as the latest manifestation of

⁴¹ Secrieru, Stanislav: *Russia under sanctions: assessing the damage, scrutinising adaptation and evasion*, The Polish Institute of International Affairs, November 2015, p. 50 at: https://www.pism.pl/files/?id_plik=20910

⁴² Degaut, Marcos: *Do the BRICS still matter?*, CSIS Report, October 2015, p. 21, at http://csis.org/files/publication/151020_Degaut_DoBRICSMatter_Web.pdf



"double standards" through which the West selectively deals with the rest of the world. By contrast, in defending the relevance of the UN framework as the only legitimate body for adopting sanctions and emphasizing the right of each nation to defend its "national interests", Russia seeks to reposition itself as an independent center of power. In addition, the Russian narrative portrayed Western sanctions as a moral ordeal, testing Russia's will and ability to remain a world power (*Myrovaya Derzhava*), presented as a precondition for the survival of the Russian State and civilization. Translated at the practical level, Western sanctions implied putting the brake on integration into Western oriented structures and institutions, while reducing exposure to foreign pressure through a generalization of import substitution schemes. This turn toward greater self-sufficiency is accompanied by the promotion of the "Eastern alternative" to Western dominance. In this respect, the BRICS format has been rhetorically upgraded in official discourses, with the hope of creating a viable coalition strong enough to resist to Western pressure. If the degree of commitment of BRICS heterogeneous membership to Russia's counter-hegemonic agenda greatly varies, it nevertheless signals that Russia is serious and consistent in its attempt at rewriting the Post Cold War consensus by seeking alliances with emerging powers.

Western sanctions thus provided the Russian regime with fresh material for completing the reconfiguration of Russia's identity in opposition to the West. By capitalizing on a legacy of disappointment toward the West in the Russian society, Russia's leadership has been able to use sanctions as a mobilizing factor for its counter-hegemonic project. Opinion polls show that sanctions have played a significant role in entrenching this assertive conception of Russia's geopolitical mission among the general public. In September 2014, a few months after the imposition of Western sanctions, when asked about the goals of Western sanctions against Russia, 71% of respondents answered "to weaken and humiliate Russia". In June 2015, when the most recent survey on this topic was conducted by the Levada Center, 66% of respondents supported this view⁴³. In parallel, V. Putin approval ratings reached an all time record of 89% in May 2015, compared to a mere 63% right before the Ukraine crisis and the annexation of Crimea⁴⁴. These figures indicated that a powerful "rally round the flag effect"⁴⁵ took place in Russia following Russia's actions in Ukraine and the imposition of sanctions. Moreover, if the initial patriotic mobilization can be seen as the acceptance of V. Putin's narrative on resurgent Russia reclaiming its "Great Powerness", the sanction discourse supplemented it with other dimensions. By reactivating fears of encirclement and isolation while actively promoting a Russian sense of exceptionalism, the sanction narrative makes possible for the Kremlin to sustain its assertive foreign policy under less favorable economic conditions⁴⁶. In sum, sanctions consolidated the anti-western narrative devised by Russian leaders to back their foreign policy goals. Under these circumstances, a major improvement in Russia's relations with the West seems unlikely in the near future. The root causes of the current situation are profound and cannot be reversed overnight. Russia's foreign policy is now fully articulated against the West, thereby foreshadowing more clashes in years to come. For this reason, even if sectoral sanctions and Russian countermeasures were to be lifted, Russia's relationship with the West would remain deeply problematic. However, despite the

⁴³ Levada Center, *Sanctions and countersanctions* (in Russian), June 2015, at <http://www.levada.ru/2015/06/29/sanktsii-i-kontrsanctions-2/>

⁴⁴ Levada Center, *March ratings of approbation and confidence* (in Russian), March 30 2016, at <http://www.levada.ru/2016/03/30/martovskie-rejtingi-odobreniya-i-doveriya-4/>

⁴⁵ Ashford, Emma: Not-So-Smart Sanctions, the failure of western restrictions against Russia, *Foreign Affairs*, (January-February 2016), at: <https://www.foreignaffairs.com/articles/russian-federation/2015-12-14/not-so-smart-sanctions>

⁴⁶ Haukkala Hiski and Popescu Nicu (ed): 'Russian Futures: horizon 2025', *ISS Report*, Nº26, March 2016, 87p.



autarkic temptation apparent in the sanction narrative, Russia remains economically dependent on the West. The EU in particular, is still Russia's main trading partner and a vital market for its fossil fuels. In parallel, the BRICS are still very far from constituting a unified bloc supporting Russia's counter-hegemonic strategy. As a result, the relationship will most probably display a combination of enduring assertiveness intermixed with limited cooperation on issues of mutual interest. The only alternative would be an all-out confrontation on the ground, which is neither in the interest of Russia nor of the West.

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