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The Effectiveness of the Sanctions of the European Union on Russia: A Comparative Case Study Between the Annexation of Crimea and the Invasion of Ukraine.

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The Effectiveness of the Sanctions of the European Union on Russia:

A Comparative Case Study Between the Annexation of Crimea and the Invasion of Ukraine.

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Introduction

On the 24th of February 2022 Russia invaded Ukraine in the early morning, marking the start of a still ongoing war between Russia and Ukraine (Reuters, 2022). After the invasion the EU had an unprecedentedly fast reaction and implemented a number of sanctions. These sanctions were also unprecedented in their severity. The EU called it a 'response to the war of aggression against Ukraine' (Consilium, 2023b). Within not even 24 hours after the invasion of Ukraine by Russia the European Council demanded that Russia would withdraw and otherwise would face further restrictive measures. Ursula von der Leyen (2022) responded to the sanctions by saying: 'This paralyses billions in foreign reserves, turning off the tap on Russia's and Putin's war. We have to end this financing of his war.' The measures would hit the financial sector, energy and transport sectors, dual-use goods, export control and export financing, visa policy, additional listings of Russian individuals and new listing criteria (European Council, 2022b). The sanctions were moreover meant to 'make it impossible for Russia to upgrade its oil refineries; to repair and modernise its air fleet; and to access many important technologies it needs to build a prosperous future.' (Von der Leyen, 2022). This was seen as the first set of sanctions. The council released a second set of sanctions on the 25th of February and a third pack of sanctions on the 28th of February. On the 2nd of March the most impactful measure until then had been taken by excluding Russia from the international Swift system making it impossible for them to conduct international financial transactions (the Council of the EU, 2022).

This swift reaction of the EU and also the unprecedented severity of the sanctions stands in stark contrast to the reaction of the EU after the annexation of Crimea by Russia in early 2014. On the 18th of March in 2014 Crimea was annexed by Russia (EEAS, 2021). After this, on the 20th of March, only 12 Russian and Crimean officials were subjected to EU travel bans and asset freezes. On the 12th of May, 1,5 months after the annexation of Crimea, additional sanctions were taken and the provisional work for targeted sanctions were made (Consilium, 2023a). Again almost 1,5 months later, on the 23rd of June, an import ban was implemented against goods from Crimea.

What took 3 months in 2014 after the annexation of Crimea took merely days in 2022 after the invasion of Ukraine. This showcases the way in which the reaction of the EU was unprecedented and also the severity of the sanctions was more intense than after the annexation. Despite the severity of the sanctions, Russia to this day still continues its war of aggression on Ukraine. None of the demands made by the EU have been met by Russia so far

and the EU has recently implemented the 10th package of sanctions. The EU has also renewed the packages already in place (Consilium, 2023a). This can cause questioning as to whether the sanctions have their desired effects. The desired demands by the EU made when they implemented the first package of sanctions have not been met. These demands were: The immediate ceasing of military actions, the unconditional withdrawal of all forces and military equipment from Ukraine, full respect of Ukraine's territorial integrity, sovereignty and independence, the respecting of international law, and the stop of the disinformation campaign and cyber-attacks (European Council, 2022a). The war between Ukraine and Russia is as intense as it has been since the beginning and there are still no signs of either side conceding. However, the EU has made clear that there are other motives besides these demands for the sanctions. Ursula von der Leyen (2022) referred to the sanctions as a means to cripple Russia's economy and by doing so crippling their war machine. The Commission has added to this by saying that '[The sanctions] are limiting Russia's ability to wage the war against Ukraine, including to manufacture new weapons and repair existing ones, as well as hinder its transport of material.' (Commission, 2023)

When looking at the literature the scholars are divided on the use of sanctions and their effects. There is even debate on how to determine the success of sanctions. Pape (1997) adheres to a rather strict form of determining the effect of sanctions. In doing so he finds only 5% of sanctions to be effective. While other scholars, like Hufbauer et al (2007) and Baldwin (1985), consider the success of sanctions as not only the total capitulation of targets, but also when sanctions partially reach their goals. When looking at the success of sanctions through this view the success rate of sanctions lies at 35%. Most scholars nowadays adhere to the latter view (Peksen, 2019).

The effectiveness of sanctions is an interesting topic since they have become one of the major policy tools in international relations and, since World War I, economic sanctions have become the liberal alternative to armed conflicts (Pape, 1997). As mentioned above, when looking at sanctions, total success of the sanctions is not a likely policy outcome. Sanctions are, however, more likely to achieve less ambitious goals and achieve partial success (Ang and Peksen, 2007). When looking at sanctions implemented after more pressing issues, like the case with the Russian – Ukraine war, these sanctions appear to not have the same success. Even more so, they can work counterproductive (Wood, 2008; Peksen, 2009).

Sanctions appear to be the favoured policy choice by the EU when it comes to trying to steer Russia in a different direction as seen by the timeline made by the Consilium of the EU (Consilium, 2023a). In light of the research mentioned above and the severity of the issue of Russia and Ukraine it is interesting to see if these sanctions have an effect on Russia. Since the primary goal of the sanctions by the EU have not been met, it is interesting to see how the sanctions might affect Russia in different ways and if they succeed in crippling Russia's economy.

Also, the objectives of the sanctions after the annexation of Crimea have not been met yet. In 2014 the Foreign Affairs Council did not go nearly as far in condemning the situation in Ukraine as the Council did in 2022 and therefore strong demands, like in 2022, were not made. However, the Foreign Affairs Council did call on Russia to continue the dialogue with Ukraine and deescalate the crisis at hand (Foreign Affairs Council, 2014). This, as we have seen over the last years, has not happened either. The continued controversy about the involvement of Russia in the Donbass region and other issues like the downing of MH-17 cannot be seen as the de-escalation of the situation. Moreover, the EU implemented more sanctions and extended the existing sanction packages between 2014 and 2022. In 2015 the implementation of the Minsk Agreements was linked to the continuation of the sanctions (Hahn, 2015). The Minsk Agreements were however never fully implemented, and the sanctions have therefore not been lifted.

In light of this it is interesting to see if and what other effects of the sanctions of the EU on Russia might be seen. If there are other, secondary, effects of the sanctions against Russia the continued intensifying of the sanctions against Russia might be useful. If, however, it turns out that the secondary effects found are marginal or, as mentioned above, maybe even counterproductive it could be questioned why the EU continues to employ these sanctions.

In both cases, the sanctions after the annexation of Crimea and the war between Russia and Ukraine, the objected goals of the sanctions have not been met. Despite the swiftness of the EU after the invasion of Ukraine, the swiftness and the severity of the sanctions do not necessarily seem to lead to a better outcome of the sanctions. Whether there are different secondary effects and whether these effects are different after the annexation of Crimea and the invasion of Ukraine is the central subject of this thesis.

The question central in this thesis is therefore, how do sanctions affect Russia? In order to research this, it is important to look at the secondary effects of the economic sanctions, since

the primary objectives of the sanctions have not been reached yet. The independent variable in this research question is the economic sanctions implemented by the EU and the dependent variable is Russia.

This thesis will try to answer this question by means of a comparative case study. First the effects of the sanctions after the Crimea annexation will be researched. After this, the effects of the sanctions after the invasion of Ukraine will be researched. The results will be compared and contrasted to see whether there is a difference between the effects. In the following sections the literature on sanctions will be explored first, after this the research design of this thesis will be outlined. When the research design is completed the results of this thesis will be shown and conclusions will be drawn. Lastly the implications of this thesis will be explored.

Theoretical Framework

Sanctions are a commonly used tool of foreign policy aimed at altering the behaviour of a targeted state or group by restricting access to international trade, finance, and other economic activities. The effectiveness of sanctions has been a topic of debate among scholars, policymakers, and international relations experts for decades (Galtung, 1967; Hufbauer et al., 1990; Pape, 1997; Peksen, 2009). While some argue that sanctions can be effective in achieving their objectives, others argue that they are often ineffective, counterproductive, or even harmful. There is debate on how to measure effectiveness as well as what would count as the sanctions being effective. This theoretical framework will examine the key arguments that argue in favour of and against the effectiveness of sanctions and how they affect countries. First, what qualifies as sanctions will be reviewed and what determines whether they are effective or not. Secondly, the effectiveness of sanctions of the EU level will be looked at. Lastly, how sanctions can affect a country will be examined.

What are sanctions

There is wide consensus over at least one part of the definition of sanctions. In 1967 Johan Galtung defined sanctions as ‘actions initiated by one or more international actors against one or more others’ (Galtung, 1967). This means that there is a sender state, the state that sends the sanctions, and a target state, a state at which the sanctions are targeted. On this there is not much debate in the literature. For sanctions to be sanctions there always is a need for one (or more) sanction state(s) and at least one target state. Two purposes of sanctions are

outlined by Galtung (1967). The first is to punish the target country by imposing sanctions and the second is to make the target country comply with the policy goals of the sender. Peksen (2009) also underlines this by stating that the ideal goal of sanctions is a combination of the two purposes outlined by Galtung (1967). Peksen (2009) states that the ideal goal of sanctions is to apply pressure to the target state, both economic and diplomatic, in order to make the target state comply with the demands of the sender state. Sometimes however the goal of sanctions might not necessarily be punishment, but it might be as an incentive to make changes. When looking at development aid, for example, only giving this aid on the condition certain factors are improved is more on the basis of incentive than on a punishment basis.

The success of sanctions can also be determined by whether the target state complies with the demands of the target state. If a target state complies with the demands of the sender state the sanctions are considered to be successful and thus effective (Pape, 1997; Allen, 2005). This is a rather strict form of defining the success of sanctions. Only when the goals of the sanctions are reached, they can be considered as a success. In contrast, other authors adhere to a less strict form of defining the success of sanctions. Hufbauer et al (2007) and Baldwin (1985), consider the success of sanctions as not only the total capitulation of targets, but also when sanctions partially reach their goals or help in reaching the goals of the sender state.

Different types of sanctions

Galtung (1967) differentiates between three different types of sanctions: diplomatic sanctions (e.g. nonrecognition), communication sanctions (e.g. rupture of telecommunications) and economic sanctions (e.g. economic boycott). There can also be looked at whether the sanctions are negative or positive, or in other words, whether they deliver punishment or seek to reward compliance. Another important feature of sanctions is they are imposed unilaterally or multilaterally. When only imposed unilaterally other routes through other countries might be found, meaning that the sanctions can be undermined. On the other hand, multilateral sanctions make it more difficult for the target country to find other routes, but it is also harder on the sender states.

The effects of sanctions

When looking at sanctions there are a number of arguments that can be made in favour of sanctions and against them. A traditional way of looking at sanctions is seeing them as the alternative for military conflict (Pape, 1997; Marinov, 2005). Military conflict is a costly tool

for both the sender state and the target state. Imposing sanctions is therefore more preferable even though the success rate of sanctions is lower than for military conflict. Sanctions can however have a more positive effect than military intervention. Military intervention can cause a lot of bloodshed and sanctions can achieve more or less the same policy goal but without the bloodshed. Opposers of the view that sanctions are less harmful to the target country than military intervention argue, however, that sanctions are a blunt instrument that often cause negative side effects for the population of the targeted country (Peksen, 2009; Allen & Lektzian, 2013). They are used without the full consideration of the impact they will have. Sanctions might even be worse than going to war since they don't have to adhere to, for example, the Just War Doctrine. This Doctrine requires to differentiate between civilians and military agents. Sanctions do not do this (Allen, 2005). They are used without taking into account what will happen to the population and often even hit the population hardest.

There are some that argue that this hit of the population might be a good thing in achieving the goals of the sanctions since it destabilizes the power of the leader of the targeted country (Marinov, 2005). If the leader of the targeted country is destabilized this means he (or she) is more likely to compromise on policy issues. This is a result of the assumption that leaders under economic pressure are more likely to lose office than leaders who are not. The research of Marinov (2005) showed that the change of a leader losing power in office was 28% higher when facing economic sanctions. However, this result of a leader losing office when under economic pressure would not hold up if the leader cannot lose his office, or when this is highly unlikely (Lektzian & Souza, 2007). In autocratic regimes the leader of the targeted country can shield himself and his close circle better from the effects of sanctions than a leader of a democratic regime. This makes Marinov's (2005) arguments less relevant when it comes to autocratic targeted countries and sanctions less effective even if they manage to destabilize the countries leader.

One of the main counter arguments to using economic sanctions is that they cause a deterioration of the human rights situation in the targeted country. Because sanctions are such a blunt instrument their effect may lie outside of the scope of the intentions of the sanctions (Allen & Lektzian, 2013). Sanctions tend to hit the population of the targeted countries hardest. As Peksen (2009) shows in his article is that economic sanctions have a disproportionate economic impact on the citizens of the targeted country and that these sanctions worsen public health, economic conditions, the development of civil society and education. Even when sanctions are imposed as a means to improve the human rights

situation within the targeted country, the human rights situation still tends to worsen making the sanctions counterproductive (Peksen, 2009). This is thus an argument against the use of sanctions. They unequally hit the population of the target state. This is not the direct intention of the sanctions, but it is what it leads to in practice.

Gutman et al. (2020) actually argues the opposite of what has been stated in the previous paragraphs. They researched whether human rights were harmed by sanctions from the United States. They argue that this is not the case and that some rights, like women's rights even have a positive relationship with sanctions. They, however, bring some nuance to their point of view and state that while there is no negative relationship between other human rights and sanction, there was also not found a positive effect between other human rights and sanctions. Even for sanctions that were imposed with the specific goals of improving the human rights condition.

There is also a difference between threatening with sanctions and actually following through on them. Imposed economic sanctions decrease the trade flow between the sender country and the targeted country but threatened economic sanctions actually increase trade flow (Afesorgbor, 2019). This may be due to various reasons, but mostly businesses that still want to stockpile before trade stops. Moreover, when economic sanctions are threatened in an armed conflict, the conflict intensifies (Hultman & Peksen, 2017). So, when there is an armed conflict between two countries and an outside country imposes sanctions on one of these countries the conflict gets worse. Only arm embargos seem to reduce the conflict violence. The threats of sanctions induce governments to resort to even more violence in the short term in order to enhance its power before the sanctions are actually imposed.

Economic sanctions and the EU

Economic sanctions have had a negative view about them for some time now in the European Union. This is because while the target country is suffering under the pressure of the sanctions, the countries of the EU also suffer from these sanctions (Saltnes, 2017). But meanwhile most sanctions still come from the EU. The EU is therefore an interesting actor to look at when researching the effectiveness of sanctions.

The EU has different norms and different interests within its border. These differences come from the 27 member states of the EU. For the EU it is sometimes difficult to balance these norms and interests. What is noticed when looking at sanctions is that the weighing of norms and interests plays an interesting role with regard to sanctions (Saltnes, 2017). Sanctions have

unequal effects on the sanctioning states within the EU. If sanctions are damaging to the interests of one particular member states, the sanctions might be altered or not even imposed at all. But it differs also whether one of the more influential countries within the EU opposes the sanctions or when it is a less influential country. The norms of the EU, however, do not always allow for these interests and this can result in a clash between norms and interests. Norms sometimes yield for national interests, but sometimes norms also win over national interests (Vines, 2012). The actors of the EU sometimes weigh their norms against each other or the norms against interests and this may lead to different approaches when it comes to sanctions to different countries even if their behaviour would normally be condemned.

What is also a complicating factor of the EU when it comes to sanctions is the lifting of the sanctions. When a target country complies to some extent with the policy goals that accompany the sanctions and the target country asks for these sanctions to be lifted or at least decreased, all EU member states have to agree to whether this is the right course of action (Vines, 2012). When one of the member states does not want to lift the sanctions for whatever reason they might have the sanctions stay in place. This way sanctions might outlive their effectiveness.

How do sanctions affect targeted states

The main goal of economic sanctions is usually policy change in the targeted country (Peksen, 2009). However, numerous researchers have shown that the effects of economic sanctions go beyond policy change and might even have adverse side effects. Moreover, they might even be counterproductive (Peksen, 2009; Escribà-Folch, 2012; Gutman et al., 2020). The side effects recorded have to do with loss of GDP, human rights deterioration, increased health issues and the loss of democracy in the targeted state. All of these side effects are not intended especially when it concerns targeted sanctions. Escribà-Folch (2012) for example shows that these side-effects adversely hit the population of a targeted country and not the elite. This is due to the leader of the country allocating funds to his (or her) inner circle. In addition to this the loss of GDP in the targeted state leads to more poverty and in time to a significant increase in health issues and even more recorded deaths. Peksen (2009) also finds that these unintended side effects of the sanctions are worse when the sanctions are more extensive and implemented multilateral.

Another way in which countries are affected by sanctions is that their economy gets hit due to the sanctions (Tuzova & Qayum, 2016). Targeted sanctions have better effects than non-

targeted sanctions. However, other factors might be an explanation to for the economic damage seen in the targeted countries. Oil prices are for example affected by a multiple of factors (Dreger et al., 2016). If there are economic sanctions directed at the oil industry these might not have the desired effect, because the targeted country can redirect its oil supply towards other countries bypassing the sanctions.

Mahlstein et al. (2022) researched the effects of sanctions on the economy of a targeted state. He confirmed that targeted severe sanctions in the short term have a strong impact on the economy of a targeted state. However, this effect can be short lived. This is due to the fact that targeted states can shield themselves from the sanctions and can reroute their trade routes to avoid the impact of the sanctions. Sanctions should therefore be severe to have effects in the short run and after time they lose their impact. The effects of sanctions are seen in loss of GDP, import rates and export rates.

Research design

As stated before, the research question of this thesis is ‘How do the sanctions of the EU affect Russia?’. This question will be answered in this thesis in two ways. First the objectives of the EU, the crippling of the Russian war-machine, will be researched. These objectives are aimed at the economy as a whole and will consist of GDP data and import and export data. Secondly the unintended consequences will be looked at. The unintended consequences will be researched by looking at the human rights situation in Russia. The overall question will be answered by a comparative case study between the sanctions after the annexation of Crimea in 2014 and the sanctions after the invasion of Ukraine in 2022.

Expectations

These two possible effects of the sanctions create two expectations on the basis of the literature shown above:

1. The economy will be hit by the sanctions, but the Russian-war financing will not be crippled by the sanctions. After 2014 the sanctions will have some effect on the economy. After 2022 the sanctions will have a bigger impact, but the economy will not be crippled.

2. The human rights situation in Russia will be worse after the sanctions. This will be the case after 2014 as well as after 2022. However, the impact will be bigger after 2022 since these sanctions are more severe.

The overall expectation for the answer to the research question is that the sanctions have little effect on Russia even if sanctions are intensified. Moreover, the sanctions have unintended consequences in the form of human rights deterioration in Russia. As for the comparison between the sanctions after 2014 and after 2022, despite the intensifying of the sanctions, the sanctions only have a marginally larger effect on the Russian economy. The human rights situation will, however, be worse in 2022 in comparison to 2014.

Method

This thesis will take in account the data from 2013 to 2023. This timeframe will ensure that the entire time in which both the annexation of Crimea took place and the invasion of Ukraine. The year 2013 will be taken into account to see what the baseline is for the state of Russia since there were no EU sanctions on Russia in 2013. The state of Russia in 2013 is therefore not influenced by sanctions and a good reference point for the data of later years.

For the economic state of Russia, I will be looking at the data of the World Bank, the IMF and the OECD. The data on the overall GDP development will be reviewed, as well as the data on import and exports of Russia.

The World Bank as well as the IMF (International Monetary Fund) and the OECD (The Organization for Economic Cooperation and Development) are institutes that, among other things, monitor the economic state of its members (*About the IMF*, 2022; *What We Do*, n.d.; OECD, n.d.). These institutions have as their goals to reduce poverty and assist countries on their economic policies to improve development. To the public they provide statistics on all their member states. Both institutions have a data bank with statistics on all kinds of factors related to economics. For this thesis the GDP growth, the export rate and the import rate of Russia will be taken into account. By looking at three different providers (The OECD, IMF and World Bank) of statistics on these numbers, a better picture can be formed of the situation in Russia.

For the human rights situation in Russia there will be looked at the HDI data (Human Development Index) and the Freedom House data. The HDI measures their index on the basis of three factors: the life expectancy, the knowledge and the standard of living. These factors are measured by looking at the life expectancy at birth, the expected years of schooling and

the mean years of schooling, and the GNI (Gross National Income) per capita (United Nations, n.d.). The HDI that is calculated from these factors, is a number between 0 and 1. The higher the number, the better the human development.

The Freedom House data looks at two factors: political rights and civil liberties. For the political rights it looks at the electoral process, the political pluralism and participation, and the functioning of government. For the civil liberties it looks at the freedom of expressions and belief, the associational and organizational rights, the rule of law, and the personal autonomy and individual rights. Each category has three to four subcategories which measure the state of that category. The subcategory can have a rate of zero to four. Zero means that the political right or civil liberty is not at all present in the country. One means that they are somewhat there. Two means that they are there and are sometimes upheld. Three means that the political rights and civil liberties are present and are upheld, but there is still room for improvement. Four means that the rights and liberties are truly adhered to and is the maximum score given (Freedom House, 2023b). This thesis will look at the aggregate score for the political rights and the civil liberties score as well as the total overall score.

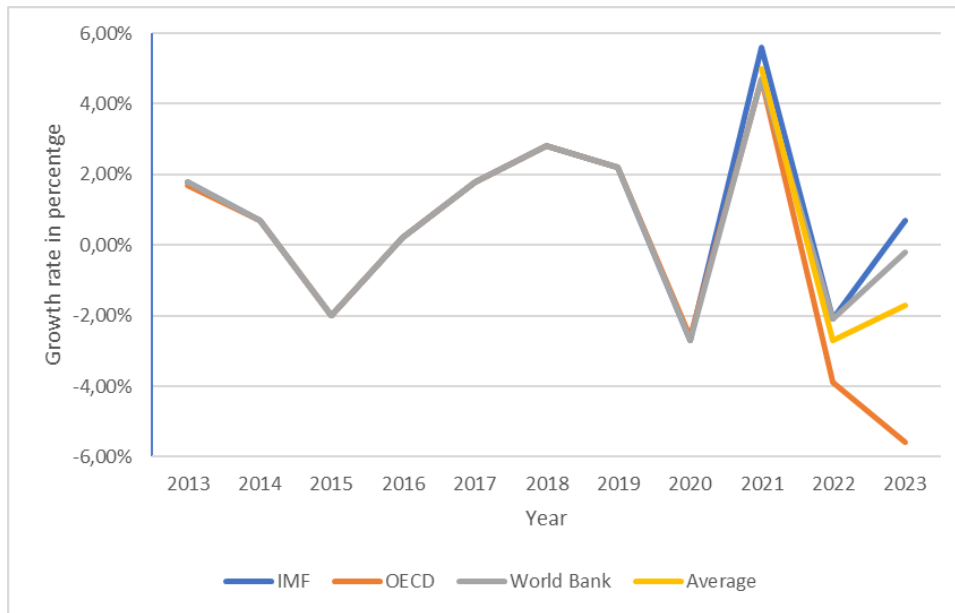
Results

In this section the results of this thesis will be shown. As mentioned above the data of the OECD, World Bank, IMF, HDI and Freedom House have been reviewed. This data has been put into graphs for a visual aid.

Economic state of Russia

Figure 1 shows the annual growth rate of the Russian GDP. For the year 2023 the data is still a prediction. There is a total of four years in which the GDP of Russia was not growing. This was the case in 2015, 2020, 2022 and 2023. For the years 2022 and 2023 the data is still a prediction from all three of the data providers. In 2023 the predicted growth rate varies widely. The OECD has the most negative prediction for the GDP growth rate of Russia at $-5,6\%$. The IMF has the most optimistic prediction at a growth rate of $0,7\%$. The average predicted growth rate for 2023 is $-1,7\%$.

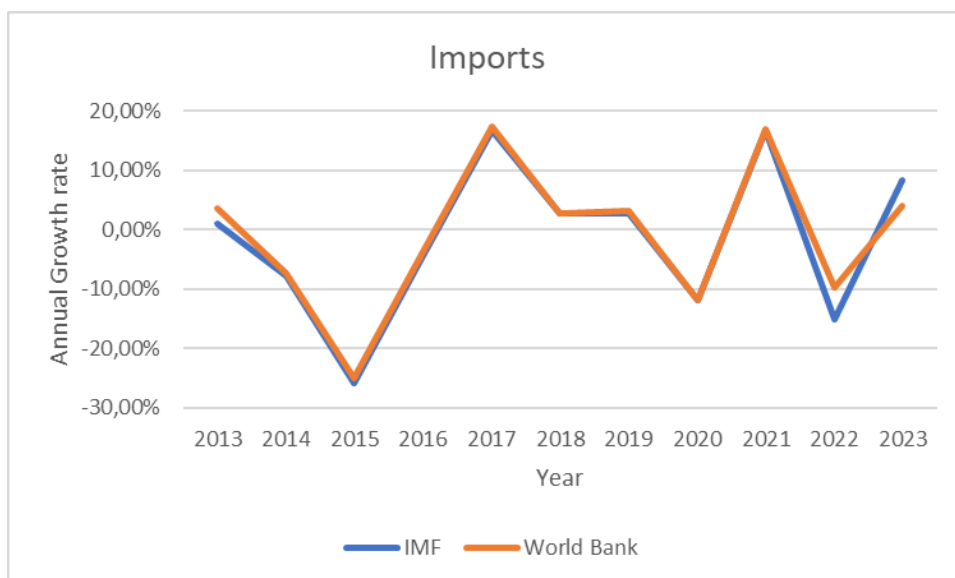
Figure 1. Annual growth rate of GDP in percentage of Russia from 2013 to 2023.



IMF (2023), OECD (2023), World Bank (2023)

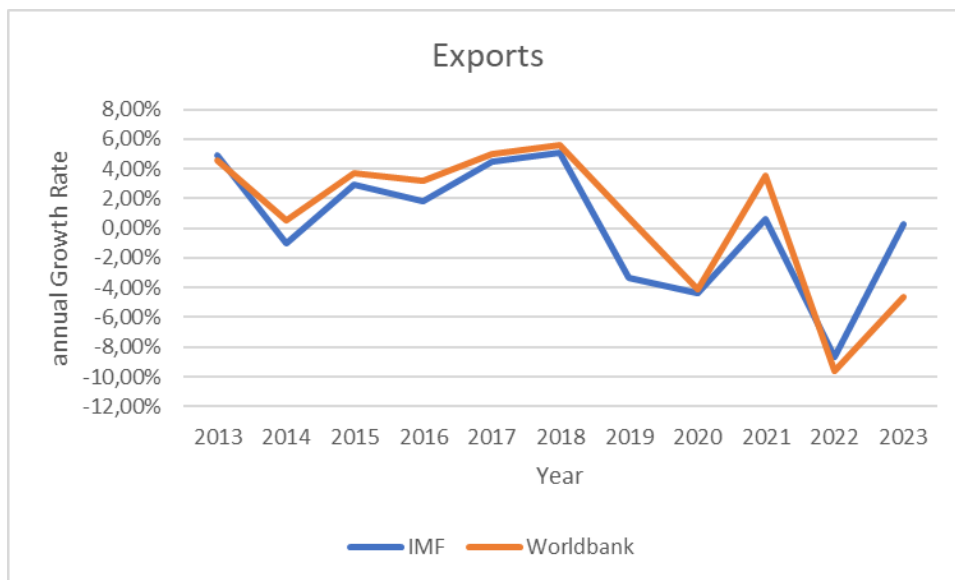
The import and exports growth rates are also indicators of the state of the economy. These are shown in figure 2 and 3. These growth rates fluctuate more than the growth rate of the GDP. After 2013 the import rates were going down, but the export rates stayed relatively stable. Again, the rates for 2023 are still a prediction. The import rate is negative in 2014, 2015, 2016, 2020 and 2022. The export growth rate differs more between the IMF and the World Bank, but negative rates can be seen in 2014, 2019, 2020, 2022 and 2023.

Figure 2. Annual growth rate of imports in percentage of Russia from 2013 to 2023.



IMF (2023), World Bank (2023)

Figure 3. Annual growth rate of Exports in percentage of Russia from 2013 to 2023.

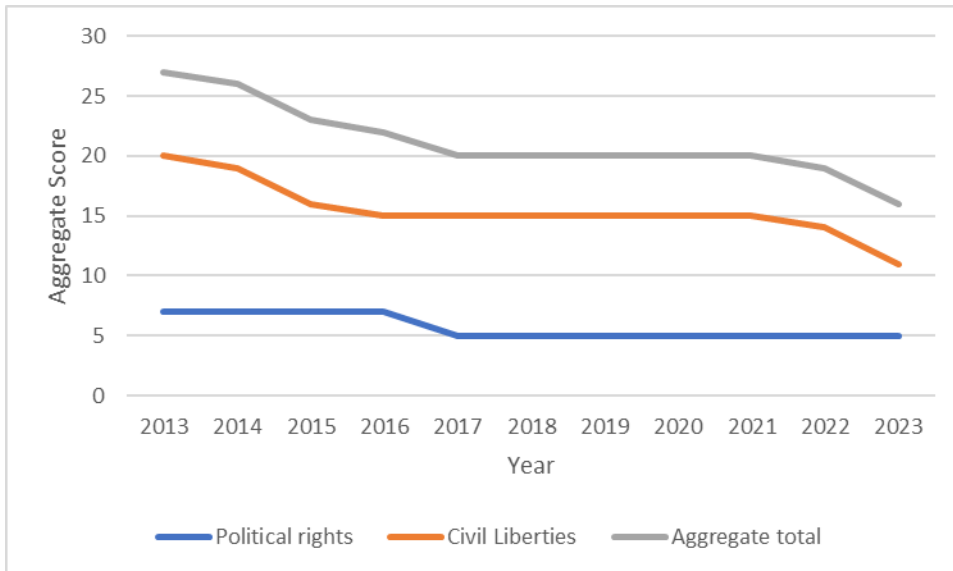


IMF (2023), World Bank (2023)

Human Rights situation in Russia

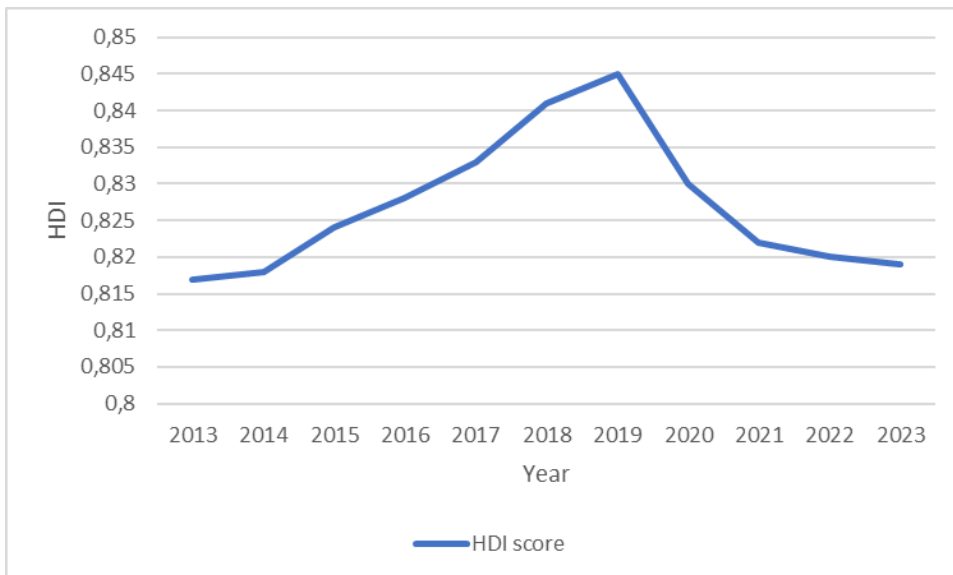
Figures 4 and 5 show the Freedom House statistics and the HDI statistics on Russia between the years of 2013 and 2023. The Freedom House indicators have been slowly declining over the years. The political rights indicator has only declined by two points, but the civil liberties indicator has dropped by 9 points. Therefore, the total aggregate score has declined by 11 points over the last 10 years. The HDI has increased steadily until 2019. After 2019 it made a drop, and this decline has not stopped yet. The HDI is in 2023 predicted to be around the same level as it was in 2013. The Freedom House report on Russia has already been made for 2023 so these scores are not predictions. The HDI is still a prediction for both 2022 and 2023, since the official reports have not been made public yet.

Figure 4. Freedom House statistics on the Political Rights, Civil Liberties and the total rights of Russia between 2013 and 2023.



Freedom House (2023a)

Figure 5. The Human Development Index of Russia between 2013 and 2023.



UNDP (2022)

Analysis of results

The analysis of the results will be made in three parts. First the analysis after the annexation of Crimea in 2014 is made. Secondly, the analysis after the invasion of Ukraine in 2022 is made. Lastly, I will compare the impact of the sanctions after the annexation of Crimea and after the invasion of Ukraine.

2014

At first the sanctions against Russia were not of an economic nature. They were restrictive measures against Russian and Ukrainian individuals. On 23 June 2014 the first import ban of goods from Crimea was implemented. After which the first targeted economic sanctions were implemented on 29 July 2014. On 12 September 2014 an additional package of economic sanctions was implemented. On 19 March 2015 the revoking of the sanctions was linked to the full implementation of the Minsk Agreements. These agreements were never fully implemented and so the sanctions were never revoked.

The effect of these sanctions is marginally visible in the data on the economic state of Russia shown above in figure 1, 2 and 3. The GDP took a slight hit from 2014 to 2015, but after 2015 the economy was growing again. This despite the extensions of the sanctions by the EU. The import growth rate was negative in both 2014 and 2015, but there was no explicit export ban from the EU. So, if this is due to the sanctions is hard to say. After 2015 the import rates growth rates were getting better again. So, the sanctions, if they even had effect on the import of Russia, had no negative impact on the growth rates after 2016. The export growth rate was only slightly negative, if looked at the data by the IMF, in 2014, but overall, the export annual growth rate was positive. This indicates that exports were growing in this period, and, despite the sanctions, Russia was exporting more. In regard to the export of Russia the sanctions seem to have little effect after 2014.

In 2020 all three of the indicators, GDP, import and export, took a dive. This is, however, more likely because of the Covid crisis in the world. All economies took a hit during Covid, and these declines cannot be credited to the sanctions by the EU (Onyeaka, 2021). Overall, the sanctions after the annexation of Crimea in 2014 seem to have little effect on the economic state of Russia.

The Human rights situation in Russia after the annexation of Crimea also seems not to be severely impacted by the sanctions. The civil liberties took a hit after 2014 and the political liberties declined too after the highly suspicious elections of 2016. After 2016 the score on

these indicators stayed the same until 2021. The HDI grew, however, steadily until 2019. The sanctions might have had an impact on the civil liberties decline from 2014 to 2016, but it is more likely that this decline is related to the internal affairs in Russia. In Russia there were also protestors against the annexation of Crimea and against the regime as a whole so this was more likely a reaction to the internal protests than it was due to the sanctions. If the sanctions could have had an effect on human rights, this is not visible from the HDI. This indicator grew, despite the ongoing sanctions. The sanctions, therefore, seem to have little effect on the human rights situation in Russia after the annexation of Crimea in 2014.

2022

After the invasion of Ukraine on 24 February 2022 the EU swiftly implemented severe sanction packages. Now, a year later, the tenth sanction package has been implemented. The impact of these sanctions is seen in the results. Especially in 2022 the economy of Russia took a big hit. The growth rate of the GDP, the import and the export rates were all negative. However, in 2023, these numbers are not as negative as expected in light of the continuation of severe sanctions. The OECD predicts an even bigger drop in the growth of GDP, but the World Bank and the IMF are more optimistic. The IMF even predicts a slight increase in GDP. This would point to the sanctions, even though being severe, not having the impact hoped for by the EU. The import growth rates are also positive again, meaning that import will increase in 2023. The predicted export rates are not as good as the import rates for 2023, but the growth rate is less negative than it was in 2022.

All of this shows that the sanctions seem to have had an initial big hit in 2022. The economy as a whole took a big hit with all three indicators being negative. After this however the sanctions seem to have less significant effect on the economic state of Russia. The numbers for 2023 are still a prediction, but the economy seems to have recovered after the initial hit of the sanctions. The new sanction packages seem to not have as much of an impact of the first sanction packages.

The human rights situation in Russia is, according to the indicators, receding slightly. The HDI already took a dive after 2019 and is predicted to fall a little more in 2023. The fact that this decline already started in 2019 might suggest that these changes are not related to the sanctions. Only in 2022 were severe sanctions implemented. After 2022 there is still a slight decline visible, but this decline might just be the continuation of the fall that has begun in 2019. It is unlikely that the decline in 2019 is the results of the sanctions implemented in

2014 and 2015. This is because the sanctions were only prolonged. No new, more severe, sanctions were implemented. If the HDI would have taken a hit from these measures, it would already have happened in 2014 or 2015 and maybe in 2016. In these years there was a rise in the HDI score visible.

The civil liberties indicator of Freedom House did decline in 2022 and 2023. Again, whether this is due to the sanctions or due to internal affairs within Russia is unclear. There was a lot of backlash in Russia regarding the invasion of Ukraine. This is probably a better explanation for this decline than the sanctions of the EU. The political rights indicator did not decline after 2017.

Overall did the human rights situation deteriorate since the implementation of the sanctions of the EU. Both indicators, Freedom House and HDI, showed a decline. However, it cannot be said that these results are directly related to the sanctions of the EU.

Comparison between 2014 and 2022

After the annexation of Crimea, the sanctions seemed to have little to no effect on both the economic state of Russia and the human rights situation in Russia. After the invasion of Ukraine, the sanctions have had a short effect on the economic state of Russia, but have had little effect on the human rights situation in Russia. Therefore, there seems to be not a very big difference between the situation in Russia after 2014 and after 2022. Yes, the economy of Russia took a big hit in 2022, but seems to have recovered in 2023. The sanctions in 2022 were way more severe than the sanctions in 2014. In the short term this seemed to have a better effect. The economy of Russia took a visible hit in 2022 in all three indicators. In 2014 this was less visible. The GDP took a hit, as well as the import rates, but the export rates stayed relatively stable.

The severity of the sanctions and the swiftness of their implementation was meant by the EU to cripple economy and, subsequently, cripple their war machine. The severity and swiftness appear to have only a temporary effect. After a year of increasing sanctions, the economy of Russia is predicted to slightly recover in comparison to 2022 against the intentions of the EU.

The human rights situation has been marginally impacted by the sanctions. The changes seen in human rights might even have nothing to do at all with the sanctions. Here the severity of the sanctions also seems to have no impact. The results after 2014 and after 2022 did not differ much even though the sanctions in 2014 were less severe than in 2022. The HDI score did fall starting in 2019 and continued to decline after 2022, but it is now at the same level as

the starting point in 2013. The Freedom House indicators do show a decline, but, as mentioned above, this decline has probably more to do with internal affairs of Russia.

Conclusion

‘How do the sanctions of the EU affect Russia?’ This is the research question that I have tried to answer in this thesis by comparing the effects of sanctions after the annexation of Crimea in 2014 and the invasion of Ukraine in 2022. Two expectations were formed and based on the literature. These expectations were:

1. The economy will be hit by the sanctions, but the Russian-war financing will not be crippled by the sanctions. After 2014 the sanctions will have some effect on the economy. After 2022 the sanctions will have a bigger impact, but the economy will not be crippled.
2. The human rights situation in Russia will be worse after the sanctions. This will be the case after 2014 as well as after 2022. However, the impact will be bigger after 2022 since these sanctions are more severe.

The first expectation has been confirmed by the results and its analysis. After 2022 the impact of the sanctions was bigger than in 2014, but the sanctions have not crippled Russia's economy and, moreover, long term effects seem to be absent. The Russian economy quickly recovered based on the predicted numbers.

The second expectation is not visible from the results. The human rights situation in Russia has slightly deteriorated over the years especially when looking at civil liberties. However, these effects cannot be allocated to the sanctions and likely have other causes. The HDI score is at the same level as it was in 2013, so overall there has been no decline in this score.

These two results give us an answer to the research question central in this thesis. How do the sanctions of the EU affect Russia? They affect Russia marginally. The severity of the sanctions can give a boost to the effects of the sanctions when looking at short term effects, but this is not lasting. Even though the goal of the EU is to cripple Russia's war machine they have not succeeded and shown that sanctions are not that effective.

However, there are some critical notes that can be made on this thesis and the results that came from this research. First of all, in this thesis a comparative case study was used. The two cases compared were, however, not entirely the same. In 2014, after the annexation of

Crimea, this was world-wide more seen as a crisis. Whereas the invasion of Ukraine is recognised as a war. This difference can significantly impact the way in which Russia has responded. Secondly, because of the crisis in 2014 and the sanctions that followed, Russia might have protected its economy better against western sanctions. Therefore, even though the sanctions are more severe in 2022, the impact might be less visible due to this better defence of Russia. Lastly, as I have mentioned before, sanctions adversely hit the population of a targeted country (Escribà-Folch, 2012). It is therefore difficult to see from these results whether this is the case. Since this thesis has only looked at the consequences for the country as a whole, differences between, for example, the impact on the elite and on the masses is not made clear from these results.

Also, the results of this thesis are not entirely in line with the outcomes of different findings within the literature. The economic results of this thesis do reflect the results also seen in other studies. However, the human rights effects were not visible in this study. Especially when comparing the results after 2014 and after 2022. Peksen (2009) explained in her research that the more extensive and severe the sanctions are, the worse the unintended consequences are. This was not visible in the results of this thesis. This discrepancy in the results calls for further research into the matter.

A clear way of measuring the unintended consequences of the sanctions should be made so that these unintended consequences can be measured. This could help further researchers better understand the way in which sanctions impact the targeted regimes. It might also help policymakers when proposing sanctions as a policy option. Sanctions are, as far as I believe, not going to disappear any time soon. They are an established policy option so we, as researchers, should focus our time on researching how sanctions can be implemented best and have the most effect without hurting innocent bystanders.

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