

ФЕДЕРАЛЬНОЕ ГОСУДАРСТВЕННОЕ БЮДЖЕТНОЕ УЧРЕЖДЕНИЕ НАУКИ

**ИНСТИТУТ ЕВРОПЫ
РОССИЙСКОЙ АКАДЕМИИ
НАУК**

125009, МОСКВА, МОХОВАЯ УЛ., 11-3
ТЕЛ.: +7(495)692-10-51/629-45-07
ФАКС: +7(495)629-92-96
WWW.INSTITUTEOFEUROPE.RU



**INSTITUTE OF EUROPE
RUSSIAN ACADEMY OF
SCIENCES**

125009, MOSCOW, MOKHOVAYA STR., 11-3
TEL.: +7(495)692-10-51/629-45-07
FAX: +7(495)629-92-96
WWW.IERAS.RU

Working paper №4, 2015 (№4)

To Ban Economic Sactions

Alexey Gromyko

Doctor of Political Sciences, Director of IE RAS

Valentin Fedorov

Doctor of Economic Sciences, deputy Director of IE RAS

Economic sanctions can be referred to as either embargo, boycott or blockade. Suffice it to recall the Co-Com lists¹ dating back to the Cold War years. Whatever the term, the meaning is the same: sanctions are meant to inflict the damage to the targeted party.

Looking into the gist of the economic sanctions one can deduce they should be banned from the international practice. Sanctions are aimed at eliminating or controlling political regimes. But in fact sanctions mainly affect people, deteriorating the living standard and bringing about social and technological stagnation. Sanctions are nothing but people under attack. The government officials always find a way to avoid sanctions both in business area and in personal activity. The implications of sanctions are widely varying for different layers of society. Having a long history, these punitive measures should be permanently banned from

¹ The Coordinating Committee was set up by Western countries led by the United States to monitor international trade in the USSR and other socialist countries to filter supplies of strategically important items. The Committee was operating from 1949 through 1994. On numerous occasions the United States and some other countries imposed embargo on supplies of large-diameter pipes to the Soviet Union developing oil and gas pipelines, on exports of grain and other goods and commodities.

interstate relations and discontinued from use by international organizations, including the United Nations. This provision should be raised to rank of international law through a Convention.

Sanctions are incompatible with humanistic ideas of the modern global society promoting universal human values to which the right of all people and each individual to live a decent life without external interference definitely belongs. Orchestrated sanction regime imposed by several countries do not make sanctions justifiable; such an approach does not make sanctions legitimate no matter if they are practiced in consolidated manner or individually.

An example of two kinds of international sanctions can be given to illustrate underlying reasons different for each case. Fifty years spent on blockading Cuba by the United States has not undermined the Cuban economy or topple Cuban leaders. It has been the US that had to change the political demeanor. Now Washington is obviously hoping to bring down the regime working from the opposite “market” angle.

Another example. Western countries announced blockade of the Crimea in all critical areas. The time has shown and will show again that this approach has been erroneous. It is worth noting that Western countries prone to lecturing to promote human rights and democracy criticizing the Crimean people only because the referendum vote did not match Western predictions.

On top of direct impact, sanctions provide a tangible effect indirectly. Sanctions are manifested in the form of unwillingness or fear of third countries to develop relations with the government declared under sanctions due to uncertain domestic or foreign perspectives dealing with the market environment and uncertain forecast on the trade and capital dynamics.

The international efforts have brought about a set of mandatory provisions to be honored to protect civilians exposed to war conflicts. In particular, these provisions are incorporated into the Geneva Convention of August 12, 1949 on protection of civilians during military conflicts. The main body of the Convention contains 159 Articles. These Articles and other provisions are often ignored by conflicting parties. Nevertheless, these provisions can be used as a guide to set policy within internationally admissible limits. The ban on economic sanctions could serve as additional barrier for escalation between conflicting parties. Crossing the barrier would mean a gross violation of international law entailing criticism from the international community.

Addressing the UN Security Council in February 2015, the Russian Foreign Minister Sergey Lavrov called to rejecting support to the governments coming to power unconstitutionally, i.e. banning coup d'état. Discontinuing practice of imposing economic sanctions or banning them altogether could be a logical next step.

In most cases, countries that initiate economic repressions on other states find those measures counterproductive. The population of the state subjected to sanctions regard them as an external threat to their country's sovereignty, an intervention in the country's internal affairs, and generally as hostile policy. The people blame external forces for the deterioration of their living conditions resulting from sanctions. Thus, sanctions lead to greater not lesser consolidation of the population of the punished country. Eventually, having caused damage to the sanction-exposed states, but having nevertheless failed in removing (or correcting the behavior of) those states' regime, initiators of sanctions have to retreat, and to finally put an end to the economic war.

The focus is then shifted back on "business as usual", until the next opportunity to impose punishment on yet another state that has been found guilty, but again with the same outcome. In some countries' legislation, there is a principle according to which an appeal, even if rejected, should never lead to an aggravation of the initial verdict. The same principle should be applied when dealing with the issue of sanctions. Even if relations between certain countries are subjected to revision, what should be ruled out is any assault against the wellbeing of the sanctioned state's citizens. That is where the Hippocratic mandate would be very relevant.

It should be noted that there is a certain contradiction in the Russia's policy towards sanctions. There is still a question mark over whether responding with counter-sanctions is actually beneficial. Russia possesses less capacity than the West does in this regard. Russia is more vulnerable to damage caused by economic conflicts than the West is. Moreover, the main lever of economic pressure on the West, that is, through restrictions on supplies of hydrocarbons, is a taboo. As a result, such approach spills over into imports of apples from Poland or oranges from Italy. Being involved, since August 2014, in banishing illegal imports to Russia from third countries through, for instance, Belarus, the Russian customs makes diverting those goods or sending them back to the country of origin. That amounts to hundreds of tons of rejected product.

One may ask why Russia is doing it, since, at the end of the day, we harm our own market and damage long-term partnerships with our suppliers. Such counter-measures only add to the effect of the originally imposed sanctions. It must also be borne in mind that, even exerting every effort to the best of its ability, the level of damage Russia can potentially cause to the economy of the West is at the corporate (not even industry) level, whereas in return Russia suffers on an economy-wide scale. "One should be aware of one's own weak spots".

Russia's counter measures is a contradiction in itself as, on the one hand, we close our country's doors to certain "unwanted" imports, but, on the other hand, we welcome doing business with some other companies from the same Western countries, provided they continue to cooperate with us in spite of the sanctions regime.

This is very well illustrated by Germany. About 5% of the country's exported agricultural goods have fallen victim to Russia's counter-sanctions. Surprisingly however the total number of German companies that conduct business in Russia, among which there are largest corporations, exceeds six thousand. What is more, their number is expected to grow in the long term.

To sum it up, international sanctions ought to be outlawed. All countries, including Russia, need to banish them, and there will be no need to impose any counter-sanctions. Sanctions cannot be justified by referring to human rights or any other reasons, since sanctions as such are nothing but an anachronism.

It has been proved long time ago that there is permanent conflict between such principles as national self-determination and the inviolability of state borders. Whenever these principles come into conflict, each time there is a different resolution, depending on the concrete balance of the opposing forces. One cannot figure which of the two principles will get the upper hand next time, especially considering the fact that a country's constituent parts (such as autonomous territories or republics) are similar to sovereign states in their political infrastructure (configuration). That results in piling up of an extremely large and explosive stock of contradictions.

One may be absolutely sure that many countries across the world will have to witness and be involved in more interethnic conflicts. Unfortunately, no war can be stopped by just putting a ban. However, it is entirely possible to ban and outlaw such a phenomenon as sanctions. Putting this concept into practice would serve to make the situation in the world better.

Date of release: April 2015.

This publication can be downloaded at: <http://ieras.ru/newspub.htm>