



NIAS-Europe Studies Brief

Lessons from Ukraine War: Effectiveness of Sanctions

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Abstract

The beginning of the Russia-Ukraine war in 2022 also witnessed international sanctions against Russia. Even before the formal act of aggression on 24 February 2022, sanctions were already being discussed against Russia in anticipation of its aggression. Most of these measures targeting Russia were economic and socio-cultural in nature and not consolidated into collective military efforts. While international sanctions are penalising measures targeting the violators of international laws and serve to maintain international peace and security, their efficacy simply depends on who the aggressor is and how the aggressor is placed in the international power system. This paper, therefore, critically looks at the international sanctions regime to assess its efficacy in general, and more particularly in the context of the ongoing Ukrainian crisis. In this process, the paper explores the complex power bias inherent in international sanctions and the politics of ‘othering’. The aim, thus, is also to explore the partisan international sanctions regime which is self-limiting its effectiveness. The paper takes recourse to a three-fold analysis to unpack the nuances of international sanctions juxtaposing them against the current Ukrainian context. First, it provides an overview of international sanctions and places them in a historical context. Second, it analyses the specific sanctions against Russia during the ongoing crisis to understand their efficacy. Third, reviewing the past and the present outcomes of international sanctions, this paper tries to look beyond the Ukraine crisis to evaluate the impact of sanctions as an effective political tool in the coming decades.*

Sanctions: A Historical Context

International sanctions have evolved throughout history and developed their own norms, principles, and rules, making them into an international regime. International sanctions regime may therefore be defined as a set of international principles, norms, rules and decision-making procedures on the issue-area of implementing sanctions around which the international actors converge (Krasner 1982). The sanctions regime, as the hallmark of an international liberal order, is built on an idea of persuasive coercion for maintaining international peace and stability through cooperative measures. It has resided somewhere between the ‘wars’ and ‘words’ of international relations determined by *realpolitik*.

The post-war regime of international sanctions stems from the collective realisation of an agreed path to avoid the impending catastrophes of war. Historically speaking, the regime has evolved in close relation to the adoption of the United Nations (UN) Charter, establishing a liberal framework for peace. Chapter VII of the UN Charter authorizes the UN Security

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Council (UNSC) to enforce peace by determining “the existence of any threat to the peace, breach of the peace, or act of aggression” and making recommendations for military and non-military actions to “maintain or restore international peace and security” (UN 1945). While the UN provides a mechanism for the collective enforcement of sanctions, the UNSC has been paralyzed in implementing them over various moments in history, especially during the Cold War years (Farall 2007). Historically speaking, a collective effort for sanctions sought big power consensus at the UNSC, something that could hardly be reached due to the rampant use of veto during this period. The glaringly high numbers of unilateral sanctions in the 1970s and 1980s stand witness to the Cold War deadlock in implementing collective sanctions (Elliott 2005: 4). Despite many proposals for UN sanctions not materializing on many occasions, there were still many sanctions that did muster collective support.

First, sanctions have been successfully declared in particular cases where there was no power bloc dilemma, as was the case during the Cold War. From WWI through the 1990s, a total of 193 sanctions have been recorded (Elliott 2005: 4). Since 1966, the UNSC as a collective imposed just about 30 sanctions against states like Rhodesia, South Africa, the former Yugoslavia, Haiti, Iraq, Angola, Rwanda, Sierra Leone, Somalia, Eritrea, Ethiopia, Liberia, DRC, Côte d’Ivoire, Sudan, Lebanon, DPRK, Iran, Libya, Guinea-Bissau, CAR, Yemen, South Sudan and Mali, and non-state actors like ISIL (Da’esh), Al-Qaida, and the Taliban (in 1999) (UNSC n. d.). The list succinctly captures two factors - the sharp decline in the number of sanctions during the Cold War, and the absence of deadlock by the UNSC permanent members in the implementation of these sanctions.

Second, the mere imposition of sanctions does not guarantee its success. While an organised effort at collective sanctions may bear effective results as was the sanction regime against the South African apartheid, the efficacy of sanctions may be rooted in myriad other political and socio-economic factors. For example, the success of the South African sanctions regime possibly lies in the nature of its mixed economy with a heavy dependence on mining raw materials and the internal change process initiated by the South African stakeholders alongside a constructive engagement centred around an anti-apartheid strategy (Crawford 1999: 3). More importantly, the impact of sanctions, except the military ones, are not immediately felt and, therefore, sanctions are predominantly assessed retrospectively. Thus, looking back on the sanctions against Yugoslavia, Rwanda, and Sudan, to name a few, the regime had grossly failed to prevent these conflicts' violent occurrences. The feebly imposed UN arms embargoes and European aid curtailments, crafted to prevent further escalation of civil strife and genocide in these countries fell short of proving to be effective (Elliott 2005).

Third, the international sanctions regime, reflecting mainly on the list of the UN-established items, works selectively. This selective implementation of sanctions may be understood in two ways - its higher success rate when imposed on weaker states and the coloniality of sanctions. For instance, a higher rate of sanction implementation was witnessed in the African and West Asian states, most of which went through the ‘bloody’ state-making process as part of their ‘Third World security predicament’ (Ayoob 1995). This power-play through the sanction regime is also deeply rooted within the colonial construct. Most of these states are erstwhile colonies, an aspect often kept inside the ‘black box’ of international relations. Statistically speaking, while the principal imposers of sanctions, apart from the UN, have consistently been the US, Western Europe, and USSR/Russia throughout history, between 1970 and 1999 about 118 sanctions were imposed, of which 87 were enforced on the African, Asian, Middle Eastern and Latin American countries combined (Elliott 2005: 5). There have been significant changes in the pattern of sanctions since the 1990s. With the end of the Cold War, the usage of sanctions by the US decreased sharply in relative terms and this

period witnessed more sanctions from the European Union, Russia, and the United Nations. There was also a perceptible change in the countries that were sanctioned. For instance, while the Soviet Union and its allies were the targets of most of the western sanctions in the 1970s and 1980s, post-Cold War imposition of sanctions by Russia increased against former Soviet Union (FSU) states (Elliott 2005: 5).

Fourth, while UN sanctions provided the basic framework for the international sanctions regime, they were also imposed unilaterally and supranationally in the face of the UN's failure to implement sanctions successfully. The bearing influence of the Western bloc has been notable, in this regard, even during the Cold War period. As the torchbearers of the liberal world order, the Western bloc with the United States being the vanguard has time and again used sanctions as a tool of enforcement. It provided them with a humanitarian image while accruing specific interests vis-à-vis the sanctioned states. Of the approximately 60 sanctions imposed in the 1990s, 42 had US involvement, albeit, in tandem with other countries from the Western bloc (Elliott 2005: 4). In addition, there are a few notable instances of unilateral US sanctions that aimed to prevent nuclear weapons proliferation in the 1990s along with the sanctions that were carried forward as the residues of Cold War (Elliott 2005: 4).

The historical patterns of these sanctions are also evident in the current set of sanctions during the Russia-Ukraine war of 2022.

Russia-Ukraine War and Sanctions against Russia

Against the background of the Russia-Ukraine War, and patterns of the international sanctions regime, it is pertinent to address four key questions. First, who is imposing the sanctions? Second, which areas are these sanctions focused on? Third, what are the specifics of the sanctions? Fourth, what is the likely efficacy of the sanctions? This paper addresses these questions by undertaking a sector-wise analysis of sanctions imposed against Russia by states and non-state entities, and their political, economic, and socio-cultural impact. Given that it is a rapidly evolving contemporary scenario, the paper does not aim to exhaustively list all developments surrounding it. Rather, it attempts to provide a conceptual framework within which the impact of sanctions against Russia is contextualised.

Sanctions by state actors are primarily from the Western bloc as has been the case in the past. Of the close to 54 recorded sanctions imposed by various state actors, the US and the EU unilaterally, and in collaboration with others, have imposed 12 sanctions each against Russia. Most of the sanctions target the Russian energy and finance sector (Funakoshi et. al. 2022). The EU has been a supranational collective whose interest in opposing Russia can be traced back to its 2014 Crimean annexation. Other than the US and EU, there are prominent Western allies including the UK, Canada, Japan, Australia, Singapore, Switzerland, and Finland (Funakoshi et. al. 2022), who have imposed sanctions revealing the Western bias within the sanctions regime. It is important to note that a UNSC sanction against Russia is unlikely, simply due to the Russian veto power.

Russia's military prowess, including its nuclear capabilities, prevents kneejerk military reactions even from the Western bloc and works as a significant deterrent against an all-out war. Thus, militarily speaking, it is highly unlikely a full-fledged world war will break out in the current context. Thus, political sanctions against Russia in effect do not necessarily transcend the shunning of diplomatic ties. In the absence of collective military action against Russia, the sanctions against it have primarily targeted its economy by financial and energy-related and private wealth measures against the state and select Russian individuals.

Apart from state actors, many non-state multi-national companies like Siemens, Nokia, Nestle, McDonald's, Coca-Cola, Starbucks, and Renault, based in the sanctioning states from the Western bloc, have also severed their relationships with various Russian industrial sectors including technology, automobile, consumer goods, media, energy, and hospitality (Funakoshi et. al. 2022). Notably, more than 1,000 multi-national companies have diminished, suspended, or completely halted operations in Russia.

While global food chains like McDonald's have declared a permanent withdrawal from the state and are now in the process of selling their established restaurants across Russia, Nestle has hit the Russian consumer sector by announcing the withdrawal of certain brands like KitKat and Nesquik despite continuing to sell essential food items in Russia (BBC 2022). While these have serious implications for the Russian economy, in an age of the rampantly sprouting consumer service providers, particularly Chinese involvement in the manufacturing sector and considerable firm footing of select Russian firms, the impact of sanctions by non-state entities is likely to wither away beyond its immediate effect. There are prominent Western brands like Marks and Spencer, Burger King, and hotel groups such as Marriott and Accor whose business models are premised upon complex franchise set-up, and thus, for these brands pulling out from Russia is not possible due to franchise stakeholders' interests (BBC 2022).

One of the crudest financial measures so far has been to freeze the Russian central bank assets to prevent it from using its 630bn USD of foreign currency reserves (BBC 2022). While this caused the devaluation of the rouble by 22 per cent and a 14 per cent hike in the Russian inflation rate, Moscow has managed to recover from it to a certain extent by taking measures for forex revenue conversions to the rouble and meeting the financial liabilities (Al-Jazeera 2022). The US sanction preventing Russia from using the 600m USD reserved in US banks, was aimed at incapacitating Russia from making debt payments (BBC 2022). Besides, major Russian banks (Sberbank, the Credit Bank of Moscow and the Russian Agricultural Bank) have been eliminated from the international financial messaging system like Swift and the UK financial system, thereby increasing the delay in payments for the Russian energy exports (BBC 2022). The debarring from the UK financial system has been accompanied by the freezing of the assets of the Russian banks and prohibiting Russian companies and individuals from borrowing and depositing.

Another potential jolt to the Russian economic sector comes in the form of slashing the Russian energy export by huge means. While the US has completely banned Russian oil and gas imports, the UK has promised the phasing out the Russian oil imports by 2022 (BBC 2022; Funakoshi et. al 2022). Germany has also pushed further the plans for opening the Nord Stream II gas pipeline from Russia (BBC 2022). The EU too was contemplating halting Russian coal imports by August, crude oil in six months, and refined product imports by the end of 2022 (BBC 2022). While Russia is the third-largest producer of crude oil in the world, half of its production was being exported to European countries before the sanctions were in place (Horton et. al. 2022).

US President Joe Biden has not only announced the release of the US oil reserves to recompense for the Russian oil and to prop up the oil sanctions momentum but he is also contemplating lifting the sanctions on Venezuelan oil (Horton et. al. 2022). While the curb on the Russian oil hits the Russian economy hard, its supply of natural gas provides the Russian state with an upper hand. Despite the Ukrainian crisis, Russia has continued its supply of natural gas to many European countries due to their huge dependence on Russian natural gas and the relative absence of favourable and affordable alternatives (Horton et. al. 2022). As of 2021, Russia was the world's second-largest producer of natural gas in the world after the US

and precedes Canada (the third-largest producer) by a huge margin. Most importantly, among the European countries, there is hardly any consensus in terms of curtailing the energy supply from Russia (Horton et. al. 2022). In its attempts at addressing the challenges caused by the sanctions, Russia has issued a strong warning to specific hostile states about the possibility of being made to pay in roubles which makes the import costlier for the importing countries and curbs the depreciation of roubles (Horton et. al. 2022). For instance, Gazprom, one of the most prominent Russian-state-owned energy companies, has warned of stopping the gas supplies to Poland and Bulgaria, unless the payments are received in roubles (Horton et. al. 2022).

On the other hand, there is a large pool of energy importers who have not resorted to such energy sanctions. While India may try to leverage the low cost of importing Russian energy (Menon 2022), China has been consistent in the import of Russian natural gas in March this year as compared to the previous year, despite a steep decline in China's overall fuel imports (Reuters 2022).

Sanctions have also been imposed on Russian individuals. The Western bloc has come together in imposing sanctions against more than 1,000 Russian individuals and businesses by freezing private wealth. Notable oligarchs including Chelsea FC owner Roman Abramovich, Russian government officials, Russian leaders and their relatives including President Vladimir Putin and Foreign Minister Sergei Lavrov have been targeted by the means of individual sanctions (BBC 2022). While the UK has stopped issuing 'golden visas' for providing residency rights to wealthy Russians, the EU has plans of imposing sanctions against 58 Russians, especially those involved in war crimes involving the capture of Bucha and Mariupol (BBC 2022).

The pressure on Russia (and Belarus) intensified in significance as well as implications when international sports governing bodies and tournament organisers slapped full or conditional bans on sportspersons, while cultural bodies across the world, including many opera houses, decided to cancel programmes by Russian artists. One of the first bodies to come forth with sanctions was FIFA, which barred Russia and Belarus national football teams from its World Cup qualifiers for the 2022 tournament (BBC Sport 2022).

The UEFA, the European governing body for football, barred all Russian and Belarussian teams from its club competitions setting a precedent which was followed quickly by many sports including athletics (IAAF) which cancelled the membership of Russia and Belarus federations (BBC Sport 2022). That effectively meant the athletes from these countries could not compete under their national flag. One of the most telling bans came from the International Paralympic Committee (IPC) which did not allow athletes from Russia to compete at the Beijing Winter Games in March even at the cost of flouting the inclusive Paralympic spirit (BBC Sport 2022).

Wimbledon organisers, heeding Britain's political and economic position in the conflict, banned Russia and Belarus players despite strongly worded condemnation from the professional tennis governing bodies (BBC Sport 2022). The ban, or rather conditional bans in professional sports, highlights a unique trend in the sanctions. While the largely amateur events, those in which the sportspersons are dependent on state support to fuel their careers, slapped bans, the professional ones, possibly considering the economic implications, were more than willing to let Russians compete. For instance, in the US, the National Hockey League (ice-hockey) teams retained their highly-rated Russian players on the rosters and even roped in fresh ones during their annual draft.

On the cultural front, the bans and boycotts of the artists reopened the chasm that was getting bridged in the post-Cold War era. Artists and celebrities such as Green Day and Louis Tomlinson cancelled events in Russia while many global institutions placed a blanket ban on Russian cultural exports (Khomani 2022). Warner Bros, for instance, delayed releases of films like *Turning Red* and *The Batman* in Russia. The Metropolitan Opera and Cannes Film Festival barred what they described as ‘artists close to Vladimir Putin’ from being part of their events (Khomani 2022).

In the media, Spotify suspended free as well as paid streaming in Russia while Live Nation ceased all businesses in the country (Funakoshi et. al 2022). Overall, sanctions against sportspersons and artists, dependent on the state for not just their careers but the safety of themselves and their kith and kin and with little or no say in the country’s political decisions, may hardly deem politically effective.

Beyond Ukraine: Sanctions in the 2020s

Looking beyond, the question remains on the future of sanctions post the war in Ukraine. Learning from the past and reflecting on the present Ukrainian context, the prognosis of the efficacy of sanctions looks bleak. To be effective, sanctions are heavily dependent on big power consensus upholding the fragility of international cooperation. Therefore, while it has been easier historically to place sanctions on relatively weaker states, it is difficult to contain a country such as Russia with its military and economic prowess through sanctions. Despite the lack of UNSC consensus, the overwhelming imposition of sanctions in response to Russian aggression also showcases the sense of urgency felt in implementing these. While there are multiple ongoing conflicts across the world, the overt rallying of sanctions in this context is emblematic of the Western centricity in imposing sanctions. For example, though Saudi Arabian involvement in Yemen is explicitly known, the international sanctions regime chose to overlook the same and did so conveniently.

At the core of the current sanctions regime is a classic example of ‘othering’ those who do not suit Western interests. Most importantly, the ‘othering’ of Russia is an extension of the distrust that has culminated since the Cold War. From a post-colonial perspective, this biased implementation of sanctions may be seen within the larger discourses on racism in international politics, wherein certain states are prioritised over others based on the interplay of intricate power dynamics. While the post-world war history indicates a greater implementation of Western sanctions on relatively weaker states in Africa and Asia, the ‘othering’ of Russia in the present context may also be argued from a Russian racial standpoint. What remains noteworthy is the racial connotation of ‘othering’ rather than the sociological understanding of racism.

While it is important to acknowledge the significance of the sanctions against Russia in sending a strong message to those who violate international law, the faultline is evident in two places. First, the international sanctions regime is anything but equitable. Second, it has limited effectiveness, especially when implemented against a major power in the world. In other words, the positionality of the aggressor both in terms of its prowess and racial belonging matters in implementing sanctions. While a combination of the Russian racial ‘otherness’ and the Ukrainian racial familiarity invite more sanctions for Russia, the Russian political and economic prowess limits the impact of the Western sanctions and renders them less effective.

Conclusion

Looking ahead, the international sanctions regime is likely to be shaped by the emerging realities in the international system. Given that no country can afford the expenses of wars and conflicts, the space for the collective enforcement of military sanctions would shrink even further. With the ongoing redistribution of global power, especially with China and Russia at the helm of it, even the collective enforcement of UNSC non-military actions is unlikely. This decade would continue witnessing a piece-meal approach to sanctions. More than its efficacy, what remains of it is glaring tokenism. The growing global economic interdependency makes it harder to envisage any holistic success of international sanctions. While the Western centrality of sanctions would continue to signal symbolic efforts made by the Western power bloc to uphold international peace and stability, with the shifting power dynamics in global politics, the efficacy of sanctions gradually diminishes over time.

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