

Defending the EU: vectors, perspectives, paradigms.

European defense against the numerous crisis is no longer just a political option but a strategic step towards the European prosperity and stability. With foreign misdeeds at the European Union's (EU) doorstep, the role of the crisis management mission has increased and enabled the EU to be a more effective player on the international stage. However, the lessons learned from two world wars that took more than 80 million lives have changed the vision and vectors of policy choices. Thus, in desire to protect the EU citizens and promote European fundamental values for preserving peace and good neighborhood, the EU and its member states have viewed economic sanctions as a more humane instrument for achieving compliance with international rule of law.

Since the end of the Cold War, political liberalism has viewed economic sanctions as a more humane instrument, as opposed to the realists who have mainly focused on the state's self interest through military force (Pape 1997, 90). In an unstable international system, economic sanctions have become an alternative to military actions of regime change and assertion of political influence, neither of which recognize democratic principles or the rule of law. These economic restrictive measures have now become a part of the foreign policy toolkit that states have at their disposal when trying to exert influence on another state's behaviour.

However, sanctions do not always work as restrictive measures, especially "when used unilaterally as a stand-alone weapon" (Hufbauer *et al.* 2007, 1). Furthermore, sometimes the strategic effect of implementing sanctions can only be achieved over a long period. Yet, some scholars still believe that sanctions are an important measure for achieving foreign policy goals. According to Hufbauer, Gary and Clyde (2007, 47), "... financial sanctions offer the potential for greater effectiveness as a foreign policy tool because they are relatively easier to enforce, harder to evade, and may spur market-reinforcing effects". In support of this argument, Myers (1997) pointed out that the use of sanctions is a pragmatic and successful tool in exerting influence on the target country. Nevertheless, the majority of studies claim that sanctions as a foreign policy tool have become ineffective. For instance, Renwick concluded, in references to

the Southern Rhodesian case (following Zimbabwe's declaration of independence in 1980), that sanctions “have very rarely succeeded in producing the desired results” (Renwick 1981, 77).

Both sides are reasonable, though single case studies of economic sanctions are limited in their ability to generalize on the issue. Thus, in order to evaluate the effectiveness of sanctions, there needs to be an analysis of the factors that lead to the use of sanctions and of the conditions under which sanctions could, with necessity, work. Failing to understand the goals and conditions of sanctions would obstruct the answer to the following questions: Why is economic coercion necessary for the international community?, and Under what conditions does the sanction success rate increase?. There will be also analyzed a more recent case is that of Russia, but as it is a relatively new one, it is difficult to determine how to attribute the results achieved.

Based on previous studies of sanctions, restrictive economic measures are placed mainly against states which have either broken international law or international moral norms (Sellers 2006). The use of sanctions is a rational decision of policymakers, as was noted by Herbert Simon, the aim of which is to “... select the alternative that results in the more preferred set of all the possible consequences” (Simon 1976). However, by using sanctions, policy makers can pursue different goals in different cases. Thus, it would be necessary to analyse the reasoning behind the imposition of sanctions in each case separately, and thereafter examine the goals that were stated. Yet, the motives behind the use of sanctions by the international community could be defined as deterrence, coercion, subversion, international/domestic symbolism and message sending (Cooper Drury 2005; Cortright *et al.* 2002). However, despite the number of goals pursued by sender-states it is difficult to exclude the one thing that remains common to all sanctions, which is the act of punishment for wrongdoing.

Economic sanctions as an essential tool of foreign policy have recently received considerable attention in different countries and regions. Specifically, the importance of sanctions has increased in those cases where diplomacy seems less substantial and the cost of military force deployment has grown. Thus, it could be argued that sanctions are considered as a threshold between pure diplomacy and military action. Therefore, the tendency to implement sanctions in international politics could be observed as a versatile tool that is used by policymakers when

other measures have proven to be insufficient. Indeed, sanctions offer a variety of approaches that aim to exert influence, prevent recourse to force, create a common ground for consensus and reinforce international norms (Rowe, 2004, 1). As a result, this versatile instrument has become the basis for foreign policy in the rapidly changing world of the twenty-first century.

The emergence of globalization as a dominant world phenomenon has turned sanctions into a premier tool of choice for policy makers. As a result, the use of sanctions as a diplomatic tool of foreign policy has increased over the last decades. Indeed, prior to 1990, sanctions were only used twice as a restrictive measure by the United Nations (UN), specifically against Southern Rhodesia in 1966¹ and South Africa in 1977.² However, since then, the number of sanctions imposed by UN has increased more than ten times (UNSC). In addition, the EU has implemented sanctions in 31 cases since 1992, while the U.S. has used sanctions programs unilaterally as a part of its policy a full 29 times since 2010 (Sanctions Programs and Country Information). This shift towards the popularity of financial restrictive measures could be explained by the fact that world economies have become more interdependent and, as a result, more vulnerable to the effect of sanctions. Moreover, the U.S. and other wealthy countries are able to use their advantage in the world economy in order to “exert hegemonic influence” over targeted states for achieving economic and noneconomic goals (Alexander, 2009, 40). In other words, the growing role and active participation of the states in foreign exchange markets has let wealthy countries dictate their terms more easily to targeted states. Therefore, it is possible that the implementation of restrictive measures may seriously undermine the target-state’s economy, as well as cause tension with important trading partners, thus diverting investments away.

The anti-Russian sanctions package, for example, that was announced in 2014 by the United States and the EU in response to the Crimea annexation, has weakened the Russian economy considerably. According to data from the World Bank, Russia’s GDP was \$2.064 trillion U.S. dollars in 2014. However, in 2016, it dropped significantly to \$1.283 trillion (World Bank

¹ In 1965, the Rhodesian government announced the unilateral declaration of Independence from the United Kingdom, as a result, the UN decided to impose economic sanctions on the breakaway colony. Rauschnig, D., Wiesbrock, K., Lailach, M. (1997). *Key Resolutions of the United Nations General Assembly 1946-1996*. 1st ed. Cambridge: Cambridge University Press.

² In 1977, the UN imposed mandatory sanctions against the racial discrimination and threat to peace in South Africa. Crawford, N., Klotz, A. (1999). *How Sanctions Work: Lessons from South Africa*. 1st ed. New York: Macmillan Press.

national accounts data, 2016). In total, the decrease of Russia's GDP over these two years was about 54 percent when adjusted for inflation (Worldwide Inflation Data 2016). Moreover, instituted measures have increased economic pressure by "... caus[ing] previously robust foreign investment to grind to a halt" (Orenstein, Kelemen, 2016, 9). In other words, the blocking of direct investments into the Russian economy and the limiting of the country's access to the market has isolated Russia from international capital markets. However, some officials from Putin's administration have stated that the main reason behind the Russian economic crisis was the decline in global oil prices, not the implementation of economic sanctions. In particular, Russian Finance Minister Anton Siluanov argued that the annual cost of sanctions to the Russian economy in 2014 was roughly 2% of GDP as compared to the 5% loss of GDP due to oil prices (Sanctions over Ukraine... 2016).

It is definitely true that over the last few years, Russia's economy has struggled due to "the twin shock" (Nelson 2017, 4) caused by multilateral sanctions and a significant decline in oil prices. However, most analysts believe that it was the financial restrictive measures that caused the main problems to the Russian economy. For instance, the International Monetary Fund's economic forecasts suggested that the "ban on agricultural imports reduced Russian output over the short term by as much as 1.5% of Russia's economy." (*Ibid.*, 2)

The second reason behind the attractiveness of sanctions to policymakers is the opportunity to exert international influence (Kulesa, 1998, 7). The imposition of sanctions, especially on less powerful countries, let other countries to assert their leadership in world affairs. This tactic is particularly true for the United States, which consistently uses restrictive measures against other states in order to uphold its world leadership position. Along this line, Hufbauer, Schott and Elliott (2007, 5) found that U.S. presidents were forced to "dramatize their opposition to foreign misdeeds" even if the desired changes in the behaviour of the target country were less likely to appear. Thus, it could be argued that in the case of the United States, the price of inaction outweighs the cost of sanctions. In other words, the inability of the American government to act decisively against misconduct may result in loss of confidence abroad and may threaten its leadership position in the eyes of the international community.

In particular, according to many observers³, the passiveness of the Obama administration in the case of Syria raised questions of confidence in American leadership. Similarly, the lack of actions against the Assad regime and the unwillingness to intervene in the Syrian civil war have not gone unnoticed by world leaders. For example, Saudi politician and diplomat, Turki bin Faisal Al Saud accused the United States of indifference towards the situation in the Middle East in his speech to the World Policy Conference in Monaco. He added that "... [the American failure, as a global leader, to stop the conflict in Syria is] almost a criminal negligence ... [that raises] an issue of confidence" (Erlanger, 2013).

Undoubtedly, one of the greatest advantages of sanctions for policymakers is that it is a relatively low-cost⁴ form of coercion that does not involve high political risks (Byman, Waxman, 2002). In comparison, the use of military force as a tool of coercion can easily increase government budget expenditures, cause undue casualties and produce unpredictable results with the possibility of further conflict escalation. Thus, the rationale for implementing sanctions stems largely from the fact that this approach is aimed at avoiding the threat of war.

In addition to this, the period of time spent on the decision-making process⁵ could be a decisive factor that may define the outcome of the conflict. Therefore, the swiftness⁶ of sanction

³ According to J.Klein (is a political columnist for Time magazine) "[The inactivity of Obama administration in the case of Syria were] stunning and inexplicable displays of presidential incompetence that I've ever witnessed" - Klein, J. (2013). Obama and Syria: Stumbling Toward Damascus. - *Time Magazine*, 11 September, 2013.

⁴ By claiming that the cost is a primary characteristic of choice, it is important to note that the real cost of using sanctions often tends to be ignored by the researchers. Thus, it is difficult to evaluate the real cost of political choice compared with other forms of coercion. According to Baldwin the sanctions can't be viewed as a low-cost substitute of statecraft. In attempting to evaluate sanctions as a policy alternative, Baldwin concluded that "choice implies cost <...> [otherwise it] would have no policy relevance". In support of this argument, B. Early in his studies estimated that due to the loss of export in 1995, the sanctions cost approximately 200 000 jobs for the US economy.

⁵ Some scholars argue, the delay in the implementation of the restrictive measures from the international community may cause the immunity to the sanctions program.

Doxey, M. (1980). *Economic Sanctions and International Enforcement*. 1st ed. London: Macmillan for the Royal Institute of International Affairs.

⁶ In response to Iraq's invasion and annexation of Kuwait (1 August, 1990) the Security Council adopted (2 August, 1990) a conflict resolution (United Nations Security Council resolution 660) that condemned the invasion and called for the immediate withdrawal of Iraqi troops from Kuwait. However, Iraq's government refused to comply with it, so this step forced the international community (6 August, 1990) to implement stringent economic measures against Iraq. In particular, the international community imposed trade and financial restrictions. The sanctions were largely in force until Iraq's government was removed from power (May, 2003).

Joyner, C.(1995). - "Collective Sanctions as Peaceful Coercion: Lessons from the United Nations Experience."- *Australian Yearbook of International Law*, pp 241-270.

implementation can be used to enhance political credibility, thereby making sanctions an attractive tool of foreign policy.

However, despite the perceptible advantages for policymakers to exercise “peaceable coercion” (Kegley 2007), an understanding of how to transform this economic effect into the desired political outcome still remains limited. Therefore, it is important to compare specific case studies in more detail and, in particular, to analyse the positive and negative outcomes of the imposing of sanctions.

However, the implementation of sanctions does not necessarily bring the same results. Therefore, prior to deployment of coercion measures, the sender state should evaluate both the vulnerabilities of the sanctioned state and its political willingness for change. Thus, it could be argued that before sanctions are implemented, it is important to analyse the factors that are relevant to the nature of the specific state and that could affect the outcome of the sanctions.

Political stability and economic strength could be decisive factors that shape the results of the restrictive measures. The regime type with the pre-existence of a democratic foundation is more vulnerable to economic pressure than an autocratic regime. For example, in case of South Africa, there was no overwhelming state control over the proliferation of ideas and information. Thus, the vulnerability of the state to coercion was more visible. As a result, it could be argued that the pre-existence of democratic values made the target more prepared to comply with the sender’s demands.

Moreover, the existence of diplomatic and economic contacts could determine the cost and length of the coercion. The sanctions against North Korea, for example, have lasted for more than 50 years, but have still not produced any results. The lack of compliance with the sanctions is explained by the low level of diplomatic relations and trade dependence between the sender states and North Korea. Therefore, a strong linkage between states, both economic and diplomatic, tend to increase the probability of a successful outcome.

The unity of the sender countries and their speed in the implementation of restrictive measures can contribute significantly to a positive outcome of the coercion. The degree of cooperation amongst the international community, specifically multilateral and unilateral efforts to implement stiff measures, is decisive in pursuing the target-state's compliance.

Moreover, the speed and decisiveness of the policy makers' response to the state's misdeeds is also crucial in terms of coercion. It could be one of the factors that produced the regime's stable resistance to international pressure. Thus, a speedy reaction on the part of the international community could reduce the time that the target has to adjust to new restrictions and, as a result, sanctions could achieve better results in a relatively short period of time.

Finally, the role of the target's domestic trends could shape the results of the sanctions. Specifically, sanctions that are supported by internal pressure within the target-state could be considered more effective. For example, the South African opposition movement and street protests greatly contributed to the weakening of the government's ability to resist international pressure.

Obviously, by defending liberal values the EU is running against the other state's misdeeds and violation of international rule of law. If the EU keeps its eyes shut at a time of rising instability across the globe the effect will be disastrous both for the union and the region. Specifically, states may question the credibility of the democratic values and the credibility of the union. The EU's role is to create a framework for the peaceful transition towards cooperation as well as trust. The rule of law is the core to this trust. The EU safeguards for democratic values and the rule of law, thus the implementation of sanctions can increase the success in defending the global order.