Sanctions over Ukraine
Impact on Russia

SUMMARY

In early 2014, Russia violated international law by annexing Crimea and allegedly fomenting separatist uprisings in the eastern Ukrainian region of Donbass. The European Union, the United States and several other Western countries responded with diplomatic measures in March 2014, followed by asset freezes and visa bans targeted at individuals and entities. In July 2014, sanctions targeting the Russian energy, defence and financial sectors were adopted.

These sanctions have not swayed Russian public opinion, which continues to staunchly back the Kremlin's actions in Ukraine. The diplomatic impact has also been limited, particularly now that Russia's military intervention in Syria has helped it to break out of diplomatic isolation. On the other hand, sectoral sanctions have proved painful, aggravating the economic downturn triggered by falling oil prices.

Sanctions have affected the Russian economy in various ways. The main short-term impact comes from restrictions on Western lending and investment in Russia. Oil and gas production remains unaffected for the time being, but in the long term energy exports are likely to suffer. Meanwhile, Russian counter-sanctions are benefiting the agricultural sector, but consumers are losing out in terms of choice and price. So far, the overall impact of sanctions has been to isolate Russia from the global economy and hold back economic modernisation.

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Sanctions timeline, 2014-2016

Data: Council of the EU; US Department of State; unless otherwise stated, timeline refers to EU sanctions; Ukrainian military casualties from Ukrainian Military History Museum — although these figures could not be independently verified, they give some idea of the changing intensity of the conflict.
As the situation in Ukraine deteriorated, Western countries gradually upgraded their response, progressing from Tier 1 (diplomatic) sanctions, to Tier 2 (individuals/entities), before finally adopting Tier 3 (economic) sanctions – the most costly for both sides, and hence also the most controversial. Russia retaliated with its own counter-sanctions.

Western sanctions against Russia¹
Tier 1 – diplomatic sanctions (March-April 2014; indefinite)
Western countries have suspended talks with Russia on:

- (EU-Russia) visa facilitation and modernisation of the partnership agreement between the two sides; no bilateral summits held since then;
- (US-Russia) a bilateral investment treaty;
- (Switzerland/New Zealand-Eurasian Customs Union): free trade agreements.

International organisations have put cooperation with Russia on hold:

- OECD: Russian accession process suspended;
- NATO: all practical civilian and military cooperation with Russia suspended;
- G8: reverted to G7 format; Russian participation suspended; and
- Council of Europe Parliamentary Assembly (PACE): voting and other rights of the Russian delegation to the Assembly suspended (10 April 2014).

Tier 2 – sanctions against individuals and organisations (adopted March 2014-February 2015, expire September 2016)
On 6 March 2014 the US imposed visa bans and asset freezes on certain Russian and Ukrainian individuals and organisations. On 17 March 2014 the EU followed suit with a list of 21 individuals, since expanded to include 146 persons and 37 organisations.

Persons on the EU’s list include:

- Russian/Ukrainian politicians and officials publicly supporting violations of Ukrainian sovereignty: Deputy Prime Minister Dmitry Rogozin, Parliament Speaker Sergey Naryshkin, Crimean leader Sergey Aksyonov, Chechen leader Ramzan Kadyrov, Liberal Democratic Party of Russia leader Vladimir Zhirinovsky;
- military leaders such as Black Sea Fleet Commander Aleksandr Vitko;
- Donbass separatists such as former Donetsk People's Republic (DPR) head Andriy Purgin, and Roman Lyagin, organiser of the DPR independence referendum;
- oligarchs such as Putin ally Arkady Rotenberg, whose company was awarded a contract to build a bridge connecting Crimea to the Russian mainland.

Organisations on the EU's list include:

- the two breakaway Donbass republics;
- political parties participating in illegal Donbass local elections;
- pro-Russia militia fighting in Donbass;
- formerly Ukrainian-owned companies illegally transferred to Russian ownership, such as the Sevastopol and Kerch Commercial Seaport companies.

Tier 3 – economic sanctions (adopted July-September 2014, expire July 2016)
Two weeks after the US announced economic sanctions on 16 July 2014, the EU adopted similar restrictions targeting the Russian financial, defence and energy sectors. Both the EU and US reinforced economic sanctions on 12 September 2014:

- restricted Russian access to EU capital markets: EU nationals and companies are no longer allowed to lend money for a period exceeding 90 days (since
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September: 30 days) to five major Russian state-owned banks (since September: also three oil companies and three arms manufacturers);

- arms embargo: a ban on arms trade with Russia; a ban on exports of dual-use (civilian/military) items to military clients (since September: also nine companies producing a mix of civilian and military goods);
- restricted cooperation with the Russian energy sector: a ban on exports of innovative extractive technology (since September: also of services such as drilling and testing) used by Russian companies to develop deep-water, Arctic and shale oil reserves; all other energy-related exports require special approval.

On 20 March 2015, the European Council decided to tie economic sanctions to the full implementation of the Minsk agreements by the end of the year, including restoring Ukraine's control over its eastern borders (US official statements follow a similar line). With no sign of the Minsk agreements' implementation deadline being met, on 21 December 2015 the EU extended sanctions until 31 July 2016.

In autumn 2014, the European Parliament and the United Kingdom's government, among others, suggested more drastic measures, such as blocking Russian banks from the SWIFT international financial transfer system, in reply to which Prime Minister Medvedev threatened an 'unrestricted response'; in the end, no such steps were taken.

Additional sanctions against Crimea (adopted June-December 2014, expire June 2016)

On 23 June 2014, the EU effectively banned imports from Crimea by making them subject to approval by the Ukrainian authorities. Sanctions were further tightened in July 2014, with a ban on investment in and exports to six strategic sectors in Crimea, including transport, telecommunications and energy; and again in December 2014, with a ban on investment in all sectors and on EU cruise ships sailing to Crimea.

Russian counter-sanctions

Western leaders denied entry to Russia

In March 2014, Russia decided to retaliate against Western travel bans and asset freezes, but without ever publishing its 'blacklist'. After several EU politicians, including Member of the European Parliament, Rebecca Harms, were denied entry to Russia on arrival at Moscow airport, the Russian government finally agreed in May 2015 to share the names of banned persons with its EU counterparts. Despite a Russian request for non-publication, a blacklist of 89 EU politicians and military leaders was leaked to the press. This list included a disproportionate number of MEPs (13 current and six former), with a particular emphasis on nationals from countries strongly in favour of sanctions, such as Poland, the Baltic States, the UK and Sweden.

A ban on western agrifood products (adopted August 2014, expires August 2016)

Russia has a long history of banning agrifood imports over alleged food safety concerns (for example, bans on Polish meat between 2005 and 2007). In August 2014, it adopted a one-year embargo on fruit, vegetables, meat, fish, seafood and dairy products (representing 43% of EU agrifood exports to Russia in 2013) from the EU and others applying sanctions against it: US, Australia, Canada and Norway (Albania, Iceland, Liechtenstein and Montenegro have since been added). On the other hand, wine, pet food and baby food imports are still allowed.

Other countries applying sanctions to Russia

Apart from the US and EU, Albania, Australia, Canada, Iceland, Japan, Liechtenstein, Moldova, Montenegro, Norway, Switzerland and Ukraine have adopted similar
measures. New Zealand considered joining, but in the end abstained; nevertheless, its government has asked businesses from the country to limit trade with Russia.

For the most part, the EU, US and other countries have aligned their sanctions with one another, although there are some differences. For example, the EU’s restrictions on energy sector cooperation allow activities under prior agreements, whereas US measures do not; US economic sanctions target both oil and gas companies, whereas EU sanctions only concern the oil sector, presumably so as not to disrupt Russian gas supplies to Europe; the US list of sanctioned persons is shorter (52 individuals, compared to the EU’s 146), but includes some persons not on the EU list, such as Aleksey Pushkov, chair of the International Affairs Committee of the State Duma (lower house of parliament).

EU Member States and sanctions against Russia: hawks and doves

Poland and the Baltic States, historically wary of potential Russian aggression, have consistently supported sanctions. Germany has much to lose as a major exporter to Russia, and public opinion there is less enthusiastic about sanctions than in other countries (29% in favour of decreasing sanctions, according to a spring 2015 Pew Research Center poll, the highest percentage in the eight NATO countries surveyed); however, its government also firmly backs them, as do the UK and Sweden.

For various reasons, including economic and cultural ties with Russia, central European countries, such as Austria, Hungary and Slovakia, but also others, such as France, Mediterranean countries and Bulgaria, have been more hesitant. In 2015, Spanish Foreign Minister José Manuel García-Margallo criticised sanctions as ’beneficial for no-one’, Greek Prime Minister Alexis Tsipras regretted the ’vicious circle of sanctions’, and Italy dragged its feet over extending sanctions until mid-2016. Russia has attempted to exploit such differences, for example by forging closer relations with Hungary, offering loans to Greece, or suggesting that it might modify its counter-sanctions to allow imports from Greece, Cyprus and Hungary – although nothing came of the latter two initiatives in the end.

Such differences have not yet prevented EU leaders from keeping sanctions in place and insisting on full implementation of the Minsk agreements. However, the longer sanctions continue, the harder it is likely to be to maintain unity on the issue.

Political impact of sanctions on Russia

Sanctions have not influenced Russian public opinion

Surveys by independent pollster, the Levada Centre, show that sanctions have not succeeded in undermining public support for Russia’s actions in Ukraine. Support for Vladimir Putin and the annexation of Crimea has remained constant at around 80% since March 2014, while approval rates of the EU and US have sunk to 30% and 20% respectively. The percentage who claimed to have noticed an impact of Western sanctions on their families remained low, with a slight increase from 16% to 23% between November 2014 and November 2015. Over two thirds felt that Russia should continue its current policies regardless of Western sanctions, which 66% of them felt are primarily intended to ’weaken and humiliate’ their country.
Only a limited impact on persons subject to sanctions

Since March 2014, oligarchs on EU and US lists have seen billions wiped off their assets, partly due to the general economic crisis and stock market meltdown, but also directly due to sanctions. For example, Putin ally and judo sparring partner Arkady Rotenberg, lost access to an estimated €30 million of assets in Italy, as well as (jointly with brother Boris) US$65 million in the US. Gennady Timchenko, another Putin associate, was forced to sell a 43% stake in lucrative oil-trading company Gunvor as a result of US sanctions.

In October 2014, the State Duma approved the so-called 'Rotenberg Bill' envisaging government compensation for such losses; the Bill has since been quietly shelved, apparently in order to avoid upsetting public opinion, but both Rotenberg and Timchenko have been amply rewarded by lucrative government contracts. They and other individuals subject to sanctions have also succeeded in mitigating some of the impact by transferring assets to family members not on sanctions lists. For many, Western sanctions are a badge of pride; for example, presidential aide Vladimir Surkov considers his place on the list as the equivalent of an Oscar.

International impact: Western efforts to isolate Russia have only been a partial success

In response to Western sanctions, Russia has looked further afield in order to break out of diplomatic isolation. Despite lingering distrust between the two sides, it has stepped up ties with China, signing multi-billion gas supply deals in May and November 2014; in August of the same year, the Chinese and Russian armies participated side by side in the Shanghai Cooperation Organisation's largest ever military drill.

Thanks to support from fellow-BRICS countries such as China, Russia has been able to escape exclusion from G20 summits. Russia's involvement in negotiations over Iran and more recently its military intervention in Syria have forced the Western powers to re-engage with the country; even NATO is now considering resuming cooperation.

Impact in Ukraine: no end to the conflict, but sanctions deterring further violence

Since spring 2015, fighting in eastern Ukraine has subsided, and a decision in October by separatists to postpone local elections denounced by Kyiv was hailed as a constructive contribution to the peace process. However, sporadic outbreaks of violence continue, and a political settlement seems as far off as ever. Meanwhile, with construction of power lines and a road and rail bridge connecting Crimea to the mainland, Russia shows no signs of willingness to give back the peninsula.

While there is no hard evidence that sanctions have improved the situation on the ground in Ukraine, they may have deterred Russia from backing separatists in making further territorial gains, including the strategically important Black Sea port of Mariupol.
Economic impact of sanctions on Russia

Russia's economy went into sharp decline in mid-2014, at around the same time as economic sanctions were introduced. The current recession cannot be entirely blamed on sanctions – growth had already been on a downward trajectory since 2010, and then in summer 2014 came the additional shock of a meltdown on global oil markets, for reasons entirely unrelated to the Ukraine crisis. Russia's economic performance has always correlated closely with crude oil prices, due to reliance on fossil fuels, which generate 70% of its export earnings; the impact of cheaper oil is illustrated by the rouble, whose precipitous decline closely mirrors that of oil (see Figure 2).

Nevertheless, sanctions have had a significant impact, particularly (but not only) in the sectors directly targeted.

Arms restrictions hurt the Russian armed forces and the defence industry

*Russian defence industry and armed forces struggling to replace Western imports*

Though mostly self-sufficient, Russia's defence industry used to import some 640 items from EU and NATO countries, essentially in the field of optics and radio electronic components, as well as *precision machine tools* used on production lines. It also imported helicopter and battleship engines from Ukraine, which is participating in the Western arms embargo. The Kremlin estimates that it can step up domestic production to replace all Ukrainian imports by 2016-2017, and 80% of western imports by 2018. However, import substitution is taking longer than expected, with only seven imports from NATO/EU countries replaced by mid-2015 out of the 127 scheduled. Domestic substitutes, once they become available, will probably be of inferior quality and more expensive; in the meantime, as stocks of spare parts run out, Russia's rearmament programme risks being delayed by shortage.

Russia's navy has been adversely affected by French cancellation of the delivery of two Mistral helicopter carriers, intended to boost its capacity to land troops from the sea (as EU sanctions allow completion of pre-existing contracts, France was not legally required to cancel the deal, but did so in response to pressure from its NATO allies).

Likely long-term impact on arms trade and armed forces

The countries applying sanctions are not major purchasers of Russian weapons, and sanctions have therefore barely dented Russia's arms exports, which remained at close-to-record levels of US$13 billion; similar volumes are expected in 2016. In the longer term however, the defence industry is likely to fall behind international competitors if access to Western technology remains blocked. A widening technological gap will also affect the Russian armed forces, which are largely dependent on domestic production.

Restricted energy cooperation – effects will be felt in the medium to long term

*Russian energy companies need Western technology to develop new fields*

In the short term, energy sanctions have not affected output. While gas production and exports have fallen slightly, oil output has reached record levels in terms of volume, although export earnings have dropped significantly due to lower oil prices.
However, most of this production comes from fields in western Siberia whose yields are gradually declining. In the past, service providers such as Schlumberger, Baker Hughes and Halliburton supplied over half the technologies used in Russia for offshore and other technically challenging oil projects. With Western innovative technological input now restricted, Russia will find it hard to develop the new fields it needs to maintain output, as most of them are considerably less accessible than current ones.

**Russian energy companies look to Asia to replace Western financing**

Leading oil producer Rosneft was particularly hard-hit by financial restrictions due to its large foreign currency debt, of which US$25-30 billion was due in 2015; a request for a government bailout was rejected in February of the same year. In the end, Rosneft was able to weather the crisis, among other things, thanks to domestic bond issues and pre-payment deals from foreign customers.

In the gas sector, with access to US capital blocked, Novatek has had trouble raising the US$27 billion it needs for its Yamal project, crucial in enabling future liquified natural gas (LNG) exports to Asia; however, it now claims to be moving closer to a deal with Chinese banks. Gazprom has also succeeded in raising a US$2.2 billion Chinese loan.

**Some cooperation with Western energy companies continues**

Sanctions have not ended all cooperation. EU sanctions, unlike US ones, do not target the gas sector, and are therefore no obstacle to new pipelines such as the proposed Nordstream 2. The oil sector is more affected; nevertheless, BP is in the process of acquiring a 20% stake in the east Siberian Taas-Yuriakh field, while Norway’s Statoil is still cooperating with Rosneft on oil fields such as North-Komsomolskoye, which is below the Arctic Circle and therefore outside the scope of sanctions. Energy cooperation outside Russia is also exempt; in March 2016 Rosneft announced an offshore project in Vietnam, with the assistance of US company Schlumberger.

However, another Statoil-Rosneft project in the Barents Sea above the Arctic Circle has been suspended, as have Russian joint ventures with Shell, Total and Exxon.

The longer sanctions continue, the harder it will be for Russia to maintain production of oil and gas, its main sources of export revenue, at current levels. Already in 2016, oil companies are planning to export 6% less than in 2015, although this probably has at least as much to do with current low prices as with sanctions-related constraints.

**Restricted access to finance – an immediate and serious impact**

*The wider economy and the banking sector in particular are hard hit*

![Figure 3: Russian economy, 2014-2015](image)

Starting in mid-2014, foreign direct investment (FDI) in Russia plummeted and billions of dollars fled the country as companies were forced to repay their debts. The government had to dig deep into its international reserves in order to keep the economy afloat (Data: Central Bank of Russia).

Former Russian Finance Minister Aleksey Kudrin claims that of all the sanctions, it is the financial restrictions which have hurt most. Before sanctions, three quarters of foreign
direct investment and a similar proportion of foreign loans to Russian companies and households came from EU countries. However, since mid-2014, Russia’s five largest banks – together accounting for nearly 60% of the Russian banking sector – have been barred from Western capital markets; partly as a result of this, Western lending and investment in Russia has gone negative. Unable to get foreign-currency credit extended, Russian banks and companies ended up having to pay back debt on a massive scale – US$104 billion in 2014, US$74 billion in 2015. Repayment of foreign debt was a major factor in capital flight from the country – in 2014, US$153 billion fled the country, two-and-a-half times more than the capital outflow in the previous year.

These developments, in combination with rouble devaluation, have put severe pressure on the Russian banking sector. It was brought to the verge of crisis in December 2014, when customers withdrew 1.3 trillion roubles (US$21 billion) of deposits from Sberbank, Russia’s largest bank, in just one week.

Government bailout in response to sanctions
In response, in January 2015 the Russian Government announced a 2.34 trillion rouble (US$35 billion) spending plan, including a 1 trillion rouble bailout scheme for major banks and a further 550 billion roubles to fund loans to businesses. To date, the scheme has at least averted a full-blown financial crisis. However, it has forced Russia to dig deep into its international reserves; although these are still substantial, by December 2015 they had shrunk by US$151 billion (-29%) compared to two years earlier.

The Russian Government, which is not directly targeted by sanctions, recently announced plans to raise €2.7 billion, including from Western banks; as well as financing a widening budget deficit, this money could be used to prop up entities subject to sanctions.

Russian businesses’ survival strategies
At the same time, many Russian businesses have adapted to the new situation. In the energy sector, substantial foreign revenue has helped companies with heavy foreign currency debts to stay afloat while slashing debt.

Some companies under sanctions are circumventing the ban on long-term loans by borrowing money for consecutive periods of 30 days; in other cases, subsidiaries have been able to escape restrictions on parent companies through changes on paper to ownership structure. However, a US$8.9 billion fine imposed in 2015 on BNP Paribas for violating US sanctions against Sudan, Cuba and Iran will probably deter Western banks from entering into such arrangements.

Meanwhile, although some companies (such as Gazprom, as mentioned above) have secured alternative financing from China, most Asian investors remain hesitant, due to a lack of established contacts with Russian business. Furthermore, while sanctions do not directly concern such investors, they add to political and economic uncertainties in Russia, thus discouraging engagement with Russian markets.

Sanctions against Crimea weigh heavily on the peninsula's economy
Illegally annexed Crimea has been hard hit by sanctions cutting off trade with the EU (pre-2014, around one fifth of exports) and tourism. Even Russian companies are shunning the peninsula in order to avoid harsher sanctions – Sberbank and VTB banks, which formerly had Ukrainian subsidiaries in Crimea, have withdrawn. Dobrolyot, an Aeroflot subsidiary set up to provide low-cost flights from Moscow, suspended its flights in August 2014, after Western technical and maintenance companies withdrew.
cooperation due to the airline being added to the EU's sanctions list. According to Russia's Economic Development Minister, subsidies and investments to prop up Crimea's failing economy will cost the federal budget US$4.5 billion per year.

**Russian counter-sanctions – boosting domestic food production but fuelling inflation**

Benefiting from reduced EU competition, agriculture became one of Russia's few economic sectors to grow in 2015 (in the first 11 months of the year, up 2.9% year-on-year). Despite this growth, in the first half of 2015 fixed investment in agriculture grew by just 0.2% year-on-year, and in food processing declined by -14%, possibly due to difficulties in obtaining financing. This suggests that growth in the long-neglected Russian agrifood sector is unlikely to be sustained once sanctions are lifted.

Meanwhile, Russian consumers are having to pay more for food (see Figure 4) and do without favourites such as Parmesan cheese. Quality of domestic substitutes is also a concern, with two thirds of Russian cheeses and butters failing to meet quality standards set by consumer watchdog Roscontrol.

**Some banned EU products able to get round counter-sanctions**

Some banned EU products are still making their way into Russia as re-exports from neighbouring countries. Evidence for this is shown in Figure 5: EU exports of banned products to Belarus increased dramatically after the embargo came into effect (in the case of dairy products, by 423%); at the same time, Belarussian exports to Russia of the same products also increased substantially. However, the importance of this phenomenon should not be exaggerated, as it only concerns very specific categories such as cheeses and fruits. The increase in EU agrifood exports to Belarus and Kazakhstan represents a mere 2% of the drop in exports to Russia, which fell by 41%. The extent of re-exporting is probably even less since the August 2015 crackdown by Russian customs.

**Economic impact goes beyond the sectors targeted by sanctions**

**Indirect impact on non-targeted sectors**

Western sanctions over Ukraine are targeted at strategic sectors and individuals, and are not intended to hurt 'the Russian people'. Nevertheless, they inevitably have a broader impact. In a 2015 survey of European companies operating in Russia, only 5% reported being directly affected by sanctions, but as many as 70% felt that sanctions had a negative indirect effect on business.

One such indirect effect is the additional uncertainty caused by sanctions. According to Russian manufacturers surveyed by the Russian Federal State Statistics Service in the first half of 2015, policy uncertainty was the second main business constraint, whereas one year earlier it had only been in fourth place. Sanctions contribute to a perception of Russia as a risky country to do business in, discouraging engagement by foreign investors and lenders, including those not directly concerned by sanctions. As mentioned above, foreign investment has collapsed and capital has fled the country.
Impact of sanctions on economic policy-making

Interventionist and protectionist tendencies were already apparent before 2014, as illustrated by the growing number of enterprises under state control in the energy sector or the persistent trade barriers restricting imports to Russia; however, they are now being consolidated by the country's response to sanctions. Such measures include the above-mentioned US$35 billion spending programme, as well as a largely government-funded import substitution drive launched in 2014 and encompassing not only the agrifood and defence sectors, but also government procurement and machine building, among others. Meanwhile, multi-billion dollar government contracts awarded to compensate individuals facing sanctions such as Arkady Rotenberg (see above) have strengthened the economic influence of Putin's inner circle.

Thus, sanctions are reversing efforts made since 1990 to liberalise the Russian economy and integrate it with international markets; they are also concentrating wealth in the hands of a few oligarchs.

Quantitative estimates of the economic impact of sanctions on Russia

Economic sanctions coincided with lower oil prices, making it difficult to disentangle the effects of one from the other. Nevertheless, several attempts have been made to quantify the economic impact of sanctions:

- in November 2014, Finance Minister Anton Siluanov estimated the annual cost of sanctions to the Russian economy at US$40 billion (2% of GDP), compared to US$90-100 billion (4-5% of GDP) lost due to lower oil prices;
- in January 2016, Deputy Economic Development Minister Alexei Likhachev put Russia's losses in 2015 from EU sanctions and Russian countersanctions at €25 billion – again, around 2% of GDP.

While Russian official statements on the impact of Western sanctions should be viewed with caution, these figures broadly concur with Western estimates:

- according to the IMF, the initial impact on Russia was probably 1-1.5% of GDP. In the medium term, the cumulative impact could reach 9% of GDP, due, among other things, to slower productivity growth. However, the IMF admits these estimates are 'subject to significant uncertainty'.
- according to the Wall Street Journal, an unpublished European Commission study seen by its reporters in October 2014 estimated that sanctions would cost Russia 0.6% of its GDP in 2014, and 1.1% in 2015. The same report put the impact on the EU economy at 0.2% and 0.3% respectively.

All these sources are in broad agreement that the economic impact of sanctions on Russia is serious (in the range of 1-2% of GDP per year), but also that lower oil prices are the main cause of the country’s economic recession.
What the European Parliament is doing

The European Parliament does not have a role in decisions on EU sanctions, adopted within the framework of the Common Foreign and Security Policy or on the basis of Article 215 TFEU. Nevertheless, it has consistently supported them, calling in its resolutions on EU Member States 'to remain firm and united in their commitment to ... sanctions' against Russia, and urging 'deep and systematic verification of implementation'. The EP's strong stance on the situation in Ukraine, voiced in its resolution of 15 January 2015, prompted Russia to ban MEPs from making official visits to its territory.

One of the main channels for dialogue between MEPs and their counterparts from the two houses of the Russian parliament is the EU-Russia Parliamentary Cooperation Committee (PCC), comprising representatives of both sides, and chaired on the EP side by Othmar Karas (EPP, Austria). This body has not met since the EP resolution of 13 March 2014 on the invasion of Ukraine by Russia, which noted that 'parliamentary cooperation ... cannot be conducted along the lines of business as usual'. However, interparliamentary relations were not formally suspended until 2 June 2015, in response to the Russian blacklist mentioned previously, which included a large number of MEPs: EP President Martin Schulz announced that the European Parliament was withdrawing from the PCC, and barring Russian diplomats from its premises, with the exception of the Russian Ambassador to the EU and one other named person. Despite this and the above-mentioned Russian ban on official visits, individual contacts continue between MEPs and Russian parliamentarians.

In August 2015, the EP's S&D Group called for Russia and the EU to remove MEPs and Russian parliamentarians from sanctions lists in order to facilitate dialogue. However, the EP as a whole has not yet decided whether to resume interparliamentary relations, and if so, perhaps in a more limited format than before.

Main references

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Endnotes

1 Unless otherwise stated, information refers to EU sanctions.

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