

Russian Embargo on the European Union Agri-Food Products:

Evaluation of Effectiveness from a Game- Theoretical Perspective

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Executive summary

The objective of this report is to document research conducted on the effectiveness of the Russian embargo on the European Union (EU). This report is written due to the numerous discussions regarding the unsuccessful nature of sanctions and their role in attaining international peace. The research views sanctions from a game-theoretical perspective by describing, that when evaluating effectiveness, additional positive outcomes must be considered. The central research question of this report is, therefore, whether the Russian embargo can be considered effective. To answer this question, different research methods were used, such as desk and field research, by observing external sources and conducting interviews with experts. The research discusses, why sanctions have been considered to be an inefficient foreign policy tool. The game theoretical approach helped to re-define effectiveness, with describing that measuring the effectiveness of sanctions should take into consideration additional accomplishments, motives and goals of the coercer, rather than simply evaluate whether the foreign policy goal has been achieved. The observations show that Russia had, regardless of not having achieved the foreign policy goal, additional stated goals such as self-sufficiency, protectionism and increase in exports. When evaluating the success of the embargo in reaching its foreign policy goal, it appears that several success factors of sanctions predicted the unsuccessful nature of the embargo. What was in the benefit of the embargo was, that it was implemented rather quickly and the target was a close partner, creating several benefits for Russia. However, the goal of the embargo was not moderate, the target was not weak, did not impose a maximum cost on the target country, and created a risk of high costs for the coercer. The lack of success of the embargo in reaching the foreign policy goal could therefore be reasoned with not complying to the success factors. However, additional positive outcomes, such as protectionism, self-sufficiency and increase in exports should be considered, when evaluating the effectiveness of the embargo. To further observe the effectiveness of the embargo in re-defined game-theoretical terms, it is visible that Russia might have had several additional unstated motives and goals, such as strengthening the local community, imposing power, making new 'friends' and weakening the bond of between the EU member states. Regardless of arguably not having weakened the bond of the EU, Russia has gained several positive benefits from the embargo, due to which the embargo can be considered to be effective for Russia. The future perspective of the embargo is still unknown and the trade between the EU and Russia might never recover. However, the positive outcomes for Russia have resulted in an effective embargo, which overweighs the loss of the EU as a trading partner.

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1 Introduction

The complex web of interactions between countries has accelerated the search for effective solutions, which would solve conflicts and lead to enhancement of successful cooperation and partnership between states. For that, countries have come up with several strategies, varying from solutions involving weapons to diplomatic negotiations. One of the measures taken among nation states to resolve foreign policy conflicts has been imposing sanctions, that have been used as an alternative tool to military and other diplomatic actions. The use of sanctions has taken forefront in the recent developments of relations between Russia and the European Union (EU).

Relations between Russia and the EU has been a dominating matter of subject in discussions of international relations. Because of Russia's intervention in Ukraine, the relations between the two major parties have intensified to an extent not reached before. The EU has implemented sanctions on Russia to present its disapproval of the country's actions in Crimea and pressure Russia to change its course. As a response, Russia implemented an import ban of agri-food products from the EU.

Council of the European Union and the European Council (2017) have defined sanctions to be restrictive measures that are imposed to respond to specific policies and challenges, which are against the coercer's objectives and values. The goal of sanctions is therefore to change the opposing party's actions without involving military actions, but instead imposing certain restrictions on the target country. In the following discussion, the imposer of the sanctions is denoted as 'the coercer', the party the sanctions are aimed at is implied to as 'the target'. Sanctions can include arms embargoes, travel ban of specific persons, freezing of assets and economic sanctions, that include import or export ban of certain goods (Council of the European Union & European Council, 2017). Economic sanctions therefore specifically target trade with the intension to impact the target country's economy. As the Russian ban on import restricts the move of goods from the EU to Russia, the ban can be defined as an economic sanction. 'Embargo' can also be used to describe the import ban, since trade embargo is by definition "a law or policy a state initiates which prohibits or otherwise restricts the importation/exportation of goods" (Berkheimer, Cargile, Richards, Palsson, & Shem-Tov, 1998). In this report, the concrete list of agri-food products under

Russia's import ban will further be collectively referred to as embargoed products. In this report, the term „embargo on agri-food products” will be used for the simplicity to indicate the Russian sanctions.

It is well established, that the Russian embargo has not been effective, since it has not achieved the foreign policy goal of the EU lifting their sanctions. However, the term of 'effectiveness' should be re-evaluated and viewed more broadly, as effectiveness may result in additional positive outcomes for the coercer. The relative term of 'effectiveness' can specially be viewed from the game-theoretical perspective, since the theory points out a factor of sanctions being beneficial to the coercer regardless of not having reached the intended foreign policy goal. Evaluating effectiveness can therefore not simply be limited to observing whether the intended goals had been achieved. In the case of the Russian embargo, the goal has been considered to be to influence the EU to remove their sanctions. This research therefore analyses further from current literature, whether the Russian sanctions have been effective, taking into consideration the fact that effectiveness can be defined in broader terms than the stated goal reached.

The purpose of this research is to present, through a game theoretical perspective, whether Russia's embargo on agri-food goods from the EU has been effective. The game theory sets up the main focus of the research paper, which revolves around the objective that the effectiveness of the embargo cannot solely be measured by the foreign policy goals reached. Instead, the effectiveness of sanctions should be viewed more broadly by re-defining goals and observing additional positive outcomes for the coercer.

Therefore, to assess the effectiveness of the Russian embargo, several evaluations had to be made throughout the research. The paper begins by explaining the game theory, through which 'effectiveness' of sanctions can be redefined. It then moves on to present the situation of the embargo, its effects on Russia and the EU, and points out why the embargo can be viewed as a game. This chapter also describes Russia's additional stated motives and achievements. After describing the embargo, literature on economic sanctions is reviewed. This section presents, why economic sanctions are often viewed as an ineffective foreign policy tool, and binds in game-theoretical characteristics of sanctions. The following chapter analyzes whether the embargo corresponds to the factors of successful sanctions. This helps to evaluate, whether the characteristics indicate a potential for the embargo

to be effective. The research then moves on to describe Russia's additional possible motives and evaluates the positive outcomes, that Russia has achieved in its benefit. Observing the additional outcomes and motives is essential to evaluate the effectiveness of the embargo. The report is concluded with speculations on future perspectives of the embargo and the final observations of the embargo's effectiveness. This research therefore describes Russia's motives and achievements with the embargo implementation and analyzes its impact and effectiveness in relation to the EU agricultural sector. The situation is observed through a game theoretical view, analyzing the situation using concepts of the theory and discussing over whether the embargo has been effective based on the additional outcomes.

As sanctions have become a common foreign policy tool to use in the global world, it is important to observe the extent to which the measure can help in maintaining international peace. Evaluating benefits of sanctions may therefore help indicate, whether the outcomes are valuable enough to use sanctions, rather than violent measures, as the foreign policy tool. Acknowledging the effectiveness of sanctions can therefore assist countries to choose foreign policy instruments and make it apparent, that military action should not be considered.

2 Methodology

To answer the question of this report, various methods were developed and data was gathered from multiple sources. The primary research method for this study was desk research, more specifically literature survey and secondary research, during which literature, secondary data and official statistical material were consulted. Several legal documents of the EU institutions were reviewed to obtain information about trade practices, sanctions and their effects. During desk research, media sources, articles, books and journals were consulted. In addition, legal documents and statistics from the World Bank, European Commission and the European Parliament were also consulted to get a greater overview of economic statistics. Databases such as Eurostat, OECD, Eurostat and World Bank were consulted to access reliable data regarding trade and food production. The data was used to observe the effect of the embargo on both the EU and Russia, which was further analyzed in order to measure the effectiveness of the embargo. The findings were used to analyse the accordance with success factors of sanctions, which made it possible to evaluate the potential success of the embargo.

Various articles from reliable sources such as The New York Times, The Guardian, as well as Russian newspapers, such as RT, were reviewed. RT was chosen due to its international aspect, as the news broadcasts topics in different languages all over the world. These articles consisted of immense amount of valid and credible statistics, facts and comparisons, which were all greatly used to gain an overview of the current situation, and opinions of Russian citizens. Furthermore, the official webpage of the Russian government was consulted in order to gain insight to the speeches and statements of the government officials, as well as press releases about what the country has stated about the topic. The evaluation of statements of Russian governmental officials, such as Putin and Tkachev, were observed to create a general overview of the possible additional intensions Russia might have had with the implementation of the embargo.

In addition to desk research, it was necessary to conduct field research to interact with the topic to a greater extent, and to further evaluate the possible motives and outcomes. The research method chosen for field research was conducting interviews with four experts, who have an extensive knowledge of EU politics and trade. Conducting interviews was relevant since the questions specifically addressed the topic and helped to gain further insight to the topic by applying the

respondents' opinions. The interviews were conducted with the following experts: André Gerrits-professor of international studies and global politics, expert on world-and Russian domestic and international politics and EU external relations; Johannes Oversloot- professor of Political Science, expert on political theories and Russian Studies; Max Bader-university lecturer with expertise on Russia; and an expert in an European Union institution, responsible for bilateral international relations and health and food safety, who wished to remain anonymous and is referred to as 'an expert' in this paper. The respondents were chosen based on their familiarity with Russian politics and international trade. The interviewees represented a wide range of standpoints. One of the interviewees was a sceptic about the theory, creating a possibility to analyse the sanctions situation from another perspective. The expert on trade and bilateral relations gave further insight to the more technical factors of the embargo, whereas scholars presented their point of view of political perspectives and analytical outlooks on the situation.

The results of desk and field research were observed to detect additional outcomes of the embargo, which were analyzed to evaluate the effectiveness of the embargo. The evaluation of potential success of the embargo was conducted by adapting the commandments of Hufbauer and Schott (1985), who have created conditions that the coercer needs to take into consideration for the sanction to be successful.

The research took a different approach from previous studies on the Russian embargo, which have based their criteria to measure the effectiveness solely on the foreign policy goals reached. This research proposed that effectiveness should be viewed more broadly by evaluating additional motives and outcomes. The approach of observing additional motives and goals when measuring effectiveness made it possible to further evaluate the effectiveness of the Russian embargo. To select the theory most appropriate to describe and evaluate the situation, various literature was reviewed and theories were compared to the current case of sanctions. Game theoretical reports and analyses were reviewed, as well as scholars' books about economic sanctions.

In this study, there is a potential for bias due to the language barrier, which resulted in scarcity of Russian sources. The limited number of Russian sources analyzed therefore decreased the possibility to extend the scope of the research. In addition, as the Russian media channels are funded by the Russian Federation, it was difficult to ensure, that no bias appeared in any Russian articles used.

Furthermore, several trade data collectors presented data of agri-food collectively with other products, such as drinks and tobacco. On several occasions it was therefore difficult to investigate effect on the specific list of food categories under the import ban. In addition, the availability of data for the recent years was limited, often providing data until the year of 2016. However, as the embargo had been intact already for two years, it can be assumed that the impact of the embargo had already reached its effect and therefore, no further change due to the embargo would manipulate the outcome. It is also important to bear in mind that the report reflects the researcher's application of the theory on the Russian embargo and does not demonstrate personal opinions or standpoints on the situation.

3 Game theory

After evaluating the sanctions situation between the EU and Russia, a game-theoretical approach was adapted to view the effectiveness of the sanctions in a broader perspective. A game theoretical perspective was chosen to observe the situation, since the sanctions situation can be best described through the lens of a game. Furthermore, game theory can be applied because in the case of sanctions in general, the outcome is not known and countries may have several goals, which is specifically defined in the game theoretical view. The game theoretical approach has been chosen due to the corresponding characteristics between sanctions and the game theoretical approach, which will further be discussed. Before proceeding to evaluate the effectiveness of the Russian embargo, it is foremost important to present the theory selected.

As described by Lacy and Niou (2004), economic sanctions are, in general, imposed and threatened with in a game setting, as the situation involves two parties: the coercer and the target. Furthermore, as described by Tsebelis (1990), the game theory takes into consideration the real-life factor, that sanctions are a result of interactions between two states rather than a one-sided decision against a target country. It is therefore effective to observe the success of economic sanctions through the game theoretic view, since the characteristic of economic sanctions, where the states act as a response to their opponent and might not be aware of the goals and motives of their counterplayer, correspond with the game theoretical view. In order to examine economic sanctions through game theoretical approach, it is important to first define the concept of game theory.

The original concept of the game theory is defined as a „branch of mathematics used to analyze competitive situations whose outcomes depend not only on one’s own choices, [...] but also on the choices made by other parties, or ‘players’” (Brams, 2005). The basic concepts in the game theory are the players, the set of possible strategies and the payoffs, which are the potential gains and outcomes. To explain the game theory in this paper, mathematical equations have been avoided. Instead, characteristics of a conflict being resolved and acted upon as a game, have been applied.

As described by Brams (2005), the theory features characteristics of a game, where each participant tries to foresee and prepare for the actions of the counterplayer

to make the most beneficial moves for its own benefit, and where the final result depends on actions of each player. Brams (2005) describes that the game theory is characterized majorly by strategic choices and rational players, who, at all times, evaluate their moves for their benefit and aim for goals that may not always be obvious and foreseen. Furthermore, as described by Rapoport (1960), the counterplayer is essential for the game process. In addition, for both parties, it is the dispute at question, that makes it desirable to play the game (Rapoport, 1960). In the game, therefore, it is possible to communicate with the opponent, who may have different goals and interests, but who is considered as a rational counterpart (Rapoport, 1960). According to Lacy and Niou (2004), it is also important to bear in mind that all sides in the game have differences in their final goal. Lacy and Niou (2004) describe that sanctions can be successful in improving the power status of the country, even if the foreign policy goal might not have been reached. In addition, as stated by Lacy and Niou (2004), in the game, neither state confidently knows what cards the other player is holding, and is therefore left with incomplete information. The target nor the coercer know what the opponent's exact preferences may be, nor know with certainty what steps it decides to take next. As described by Rapoport (1960), the goal in the game is therefore to „out-wit the opponent” by evaluating different potential outcomes and moves.

3.1 The process of the game of economic sanctions

The game of economic sanctions lies on the principle of interactions between two (or more) countries, adapting and responding to each-other's actions. Observing economic sanctions through a game-theoretical perspective makes it possible to describe the various stages and steps taken in the game of sanctions, which have been described by Tsebelis (1990) and Lacy and Niou (2004).

As described by Tsebelis (1990), before the potential beginning of the game, the target country and the coercer have two options: the target country can „either [...] violate a law, rule, norm or standard [...] that is of normative importance to the sender country, or to comply with it”. The game begins once the coercer has acknowledged a violation of its standards by another country and chooses whether to put the ‘threat’ card of sanctions on the table (Lacy and Niou, 2004). After the threat has been received by the target, the target either complies or decides not to comply (Lacy and Niou, 2004). If the target complies at this stage, the coercer has reached its goal and has won the game. If the target is resilient and “the costs of

conceding on the disputed issue outweigh the costs of sanctions”, it prefers to suffer sanctions, rather than give in and avoid sanctions (Lacy and Niou, 2004). If the target does not comply at the threat stage, the coercer chooses whether or not to impose sanctions (Lacy and Niou, 2004). Correspondingly, if the coercer considers the potential outcome of sanctions to outweigh the effects of not imposing sanctions, the coercer decides to impose sanctions. If the coercer decides to impose sanctions, the target has, once again, a choice whether or not to give in to the coercer’s demands (Lacy and Niou, 2004). Figure 1 illustrates the stages and the order of steps taken in the game of sanctions.

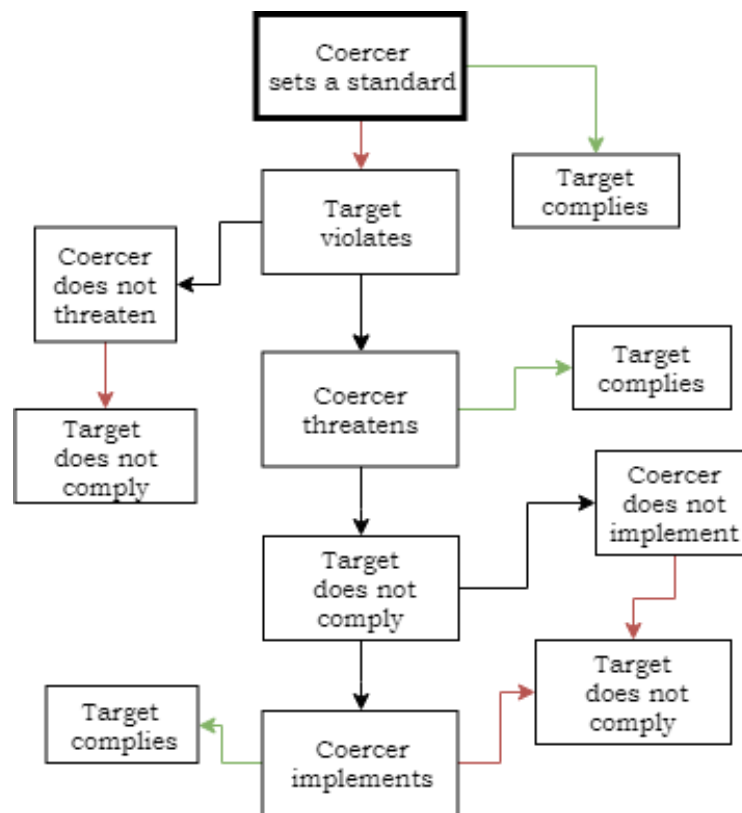


Figure 1. Process of the game of economic sanctions. Based on Lacy and Niou (2004) and Tsebelis (1990)

In each stage of the game of economic sanctions, it is crucial for both parties to evaluate factors, risks and possible outcomes in order to determine the extent and choice of upcoming steps. Therefore, as described by Lacy and Niou (2004), it is important to first define each players’ goals regarding the issue, as well as their position regarding the possible implementation of sanctions. More precisely, the decisions about whether the sanctioning will take place from the sender country

and whether the receiver country will react to the threat or implemented sanctions, will take place based on the players' evaluations. Therefore, before each step, the coercer and the target evaluate what are their payoffs, possible costs and outcomes.

Based on each player's evaluation of possible gain and loss, therefore different scenarios are defined in the game of economic sanctions. The work of Lacy and Niou (2004) is taken as a framework to describe the most common model scenarios, which are based on the players' evaluation of costs. The scenarios are illustrated in Figure 2.

Scenario	Coercer	Target
1		
Cost	High	Undefined
Action	Threat No implementation	No compliance No compliance
2		
Cost	Low	High
Action	Threat	Compliance
3		
Cost	Low	Low
Action	Threat Implementation	No compliance No compliance

Figure 2. Relation between costs and outcomes. Based on Lacy and Niou (2004)

First possible scenario in the game is the absence of sanctions, where the possible costs for the coercer are high, and the maintenance of the current situation outweighs the possible value received in case of the target complying (Lacy and Niou, 2004).

According to Lacy and Niou (2004), sanctions are most likely to succeed in the second possible outcome, where the target country reacts already at the threat stage, prefers to avoid the sanctions and complies to the country threatening with sanctions, once again resulting in no sanctions imposed. In this case, the sender has a low risk of loss, believes the target is obedient and the possible value received from the target complying outweighs the inactivity (Lacy and Niou, 2004).

The third possible outcome is, that the target does not comply with the coercer regardless of the threatened sanctions, after which the coercer makes a move and reacts with sanctions based on its evaluation of possible gain and loss (Lacy and Niou, 2004). In this case, after the implementation of sanctions, the target country can choose whether to concede or not. In case of a resilient target, the country does not obey and no change takes place. According to Lacy and Niou (2004), most failed economic sanctions are a result of this situation. Namely, if a target country is already not affected by the threat of sanctions, it is not likely to back down once the sanctions are in place.

3.2 Redefining Effectiveness

The payoffs and possible variations of the game results in several possible scenarios of the sanctions game previously described, resulting in several reasonings whether it is effective to impose sanctions and the likelihood of success. The game is won by one player, if the moves have been effective and the opponent complies. However, the 'winner' is often falsely labelled. As confirmed by scholars, „sanctions that do not change a target's behavior may still be successful” since it may result in several other intended or unintended positive outcomes for the coercer, and therefore make a player win the game even when it does initially seem so (Lacy and Niou, 2004).

However, when it comes to foreign policy goals, it is possible to evaluate the potential success of reaching the goal before risking with implementing unsuccessful sanctions. Based on Hufbauer and Schott's (1985) findings presented, sanctions can be effective if several points have been followed:

First of all, countries often set too high goals of what to achieve with sanctions. If the goal is too high, it is likely that the target country will not change its actions regardless of the sanctions. Therefore, if the target country's stand on the disputed issue outweighs the risk of what it has to lose with sanctions, it is not likely to change its behavior even after the implementation of sanctions (Hufbauer & Schott, 1985).

Secondly, the sanctioned target should be weak for the sanction to be effective. If the opponent is strong and the sanctions lack an impact on the country, the target will continuously violate the standards. Therefore, if the target country is

politically and economically strong, it is not likely to give in to economic pressure (Hufbauer & Schott, 1985).

Thirdly, sanctions are more likely to be effective when the attacked target is an ally or is a close trading partner (Hufbauer & Schott, 1985). Furthermore, Tsebelis (1990) suggests that an ally is vulnerable to unforeseen attacks by its close partner, while an opponent's economy is structured in a way to protect it from its enemies.

Fourth, Hufbauer and Schott (1985) state, that in order for the sanctions to succeed, the sanctions must be implied with targeting the country at its maximum cost. They describe that if the target country has more to lose from the sanctions than it has a possibility to gain from maintaining its current actions, it is more likely to avoid the sanctions and its costs.

Fifth, Hufbauer and Schott (1985) state, that „sanctions should be applied decisively and with resolution”. Therefore, the target should not have time to adapt to the sanctions to decrease its effectiveness.

In addition, it is suggested not to imply sanctions if the sender country has a risk of high costs with imposing the sanctions. Hufbauer and Schott (1985) describe, that „the more sanctions cost domestic firms, the less likely they will succeed”. Therefore, as sanctions can be harmful to the sender country, it must be evaluated whether it is worth the possible costs the sanctions may cause for the imposing country.

These factors can be taken as a frame to evaluate the possible success of sanctions, which will further be applied to observe the potential success of the Russian embargo. Regardless of the potential success factors proving to be positive, sanctions may not always reach the intended goal. In addition, as stated in game theory, sanctions can be considered to be effective regardless of not reaching the intended goal. That means that even if the target country did not change its behavior as a result of sanctions, the positive effects of the sanctions may make the sanctions effective in achieving other stated or unstated sub-goals. Therefore, in addition to evaluating Russian sanctions based on previously defined factors, it will also be evaluated whether Russian sanctions have been effective for the country, by evaluating additional positive outcomes of the embargo. In order to evaluate the effectiveness of the Russian import ban, it is now necessary to describe the sequence of events that have led to the embargo.

4 Double-sided sanctions

4.1 Sanctions of the EU

Russia and the EU have existed side-by-side, cooperating on numerous areas for their mutual benefit, while facing a long history of conflict and disagreements. The European Parliament's report published in 2015, following the year of Russia's embargo, describes that „the EU has for many years striven to build a mutually beneficial strategic partnership with Russia based on shared values and principles, such as democracy and rule of law, and on common interests”. It further explains EU's increased cooperation model in order to continue working together with Russia, regardless of its violations in Georgia and its regions (European Parliament, 2015). However, since the conflict in Georgia, Russia has received a lot of criticism from the EU (Gerrits, Bader, De Haas & De Jong, 2008). Moreover, the EU has been struggling with Russia's political actions, such as resisting to recognize Kosovan independence in 2008 (Gerrits et al., 2008). In addition, the EU has acknowledged Russia's actions that the Union cannot recognize, such as Russia's involvement „in a number of 'frozen conflicts' in its neighborhood [...] that constitute serious impediments to the development and stability of the neighboring countries concerned and to their rapprochement with the European Union” (European Parliament, 2015).

4.1.1 Situation in Ukraine

The tense scene between Russia and the EU further escalated, when Russia took actions in Ukraine, which has put Ukraine in the middle of the Russia-EU conflict. The situation in Ukraine started to intensify, when protesters gathered in November 2013 in Kiev to raise their voice against Ukrainian President Viktor Yanukovich, who had rejected further cooperation deal with the EU (Global conflict tracker, 2018). Namely, the EU had a plan to strengthen cooperation with Ukraine by becoming a closer partner in trade than Russia (Oversloot, personal communication, May 15, 2018). The Global Conflict Tracker (2018) describes that the protest took a violent turn and the situation turned to a greater conflict, as a result of which, the President fled the country in February 2014. As described by Slobodchikoff (2014), Russia did not accept the possibility of EU's close partnership with Ukraine either, and wanted to make sure Ukraine would continue to be a partner of Russia rather than the EU. As visualized on the Ukraine Crisis

Timeline (2017), Ukraine was filled with violence and was heading towards civil war. In March 2014, Russian troops entered Crimea and took the area under their control (Global conflict tracker, 2018). Putin stated that Russians in Crimea and southeast Ukraine need to be protected and held a referendum, which resulted in 95,7% of voters supporting Crimea's unification with Russia (The Ukraine Crisis Timeline, 2017). The Ukraine Crisis Timeline (2017) presents that after the voting, the peninsula was formally annexed and became a part of Russia in March 2014. This led to tension between pro-Russian separatists and Ukrainian patriots, creating bloodshed and a state of civil war (Global conflict tracker, 2018). What further escalated the situation into an „international crisis,” involving the EU as well as the USA, was when a „Malaysian Airlines flight was shot down over Ukrainian airspace” with Russia's missile system in July 2014 (Global conflict tracker, 2018). Russia denied its involvement in the Ukraine bloodshed, however Russian troops and its military was reported to have been detected by NATO as well as Ukraine (Global conflict tracker, 2018). According to the Global conflict tracker (2018), by May 11, 2018, the conflict in Ukraine between the two groups had wounded more than 22400 and killed over 9500 people.

Until this day, Ukraine is in a state of conflict, over which satisfactory diplomatic results have not been achieved (Global conflict tracker, 2018). The European Parliament (2015) has stated, on behalf of the EU, its strong contempt of Russia's illegal annexation of Crimea, its participation of military and causing the destabilization of the country. According to the European Parliament (2015), Russia's actions in Crimea, which have endangered „the basic principles of Europe's security by not respecting borders and by breaking its international commitments,” are therefore seen as the main cause of damaged relationship between the EU and Russia. The situation in Ukraine has therefore, as described by Slobodchikoff (2014), become a „tug-of war between Russia and the EU”.

According to the European Parliament (2015), Russian engagement in Crimea and Eastern Ukraine has led the European Union no longer consider Russia to be a 'strategic partner'. Therefore, reacting to the war against Ukraine and the illegal annexation of Crimea in 2014, „the EU [...] adopted a stage-by-stage series of restrictive measures” to present their disagreement with Russia's actions in Ukraine (European Parliament, 2015). The EU's measures included diplomatic measures, such as suspending Russia from summits and cancelling the possibility of Russia to join the OECD and the International Energy Agency (European

Commission, 2018). Furthermore, the EU implemented an arms embargo, froze assets and implemented visa- and travel bans on specific individuals (Council of the European Union, 2014). Therefore, the European Union's sanctions were set upon Russia to „enact a change of course on Russia's part", namely to "pressure [...] Russia to abide by the rules in international relations" (anonymous, personal communication, May 10, 2018; Bader, personal communication, May 3, 2018).

4.2 Russian Embargo

Russia's initial response to the EU's sanctions undoubtedly presented disapproval of the situation. Russian officials have repeatedly made statements, in which they describe the sanctions policy of the EU and their allies, as extremely ineffective. The President of Russia stated in 2014, when the EU imposed sanctions on Russia, that Russia does not visualize sanctions to be an effective foreign policy instrument and thinks that sanctions rarely lead to the results it intended to achieve (Presidential Executive Office, 2014). He continued to say, that sanctions are ineffective even when they target small countries, further implying a country like Russia is even less likely to be affected by such actions (Presidential Executive Office, 2014). The President of Russia has set the essence of EU's sanctions on Russia under doubt, stating that Ukraine has been used „as an instrument to shake up international relations" and "has been made hostage to the desire of some players" (Presidential Executive Office, 2014). Furthermore, Russia envisions the western sanctions as a measure to ruin Russian economy and to weaken Putin's power (Hill & Pifer, 2015). The Deputy Head of Fair Russia's caucus in the State Duma Mikhail Yemelyanov has stated that the EU's imposition of sanctions was "a well-expected move, because the European Union is not an independent subject in international politics, it remains under the rigid control of the USA" (as cited in 'Not Critical,' 2018). Yemelyanov further described that as long as the USA remains negative towards Russia, "the EU would not dare to lift the sanctions" (as cited in 'Not Critical,' 2018). Therefore, since Russia is constantly at enmity with the USA and envisions USA and EU as partners, it is also skeptical about EU's motives and remains critical about its moves regarding sanctions.

Furthermore, after the EU's sanctions, Russia decided to seek an opportunity for its own benefit with its countermeasures. In June 2017, President Vladimir Putin told participants at the St. Petersburg Economic Forum that "the sanctions had helped Russia to switch on its brains [...] and pushed the nation towards

structural changes in the economy” (as cited in 'Not Critical,' 2018). Therefore, as a response to EU's 'condemnable' sanctions imposed against Russia, Russia decided to impose countersanctions regardless of its skepticism regarding sanctions. The Russian president signed a decree on August 2014 „On the application of certain special economic measures to ensure the security of the Russian Federation” (European Commission, 2014). The decree prohibits import of specific agricultural products from the countries that imposed sanctions on Russia. The day after the signing of the decree, the products banned and the countries concerned were defined with issuing a decision No. 778 (European Commission, 2014). The decision introduced that the one-year ban on imports into the Russian Federation of “agricultural products, raw materials and food” had been imposed on the United States, the countries of the European Union, Canada, Australia and the Kingdom of Norway (European Commission, 2014). The list of products under the embargo included meat (beef, pig meat, poultry, sausages), milk and dairy products (cheese, butter), fruits and vegetables, as well as fish and some processed agricultural products (European Commission, 2017). The embargo was further prolonged first until 5 August 2016, further until 31 December 2017 and again until 31 December 2018 (European Commission, 2018).

4.2.1 Stated motives

According to an expert on the field of international relations and trade, EU's goal with implementing the sanctions was to put pressure on Russia so the country would “abide by the rules in international relations (anonymous, personal communication, May 10, 2018). Russian embargo, which directly targets trade practices of the EU, was implemented in response to EU's sanctions, which Russia intended to alter and punish the EU for. The embargo can therefore be viewed simply as a countermeasure to the EU's sanctions, with a visible goal to „merely [...] retaliate against the sanctions of the EU” (Bader, personal communication, May 3, 2018).

However, after sanctions were in place from both parties, Russia decided to make the situation play out in its own benefit. Russia has implied that sanctions from the West, that had a goal to affect Russia negatively, have actually helped Russia become more self-sufficient and have led to the improvement in its economy's structure. According to Putin, “additional opportunities opened up for Russian agriculture after the introduction of a ban on food products [...], with additional momentum for growing and strengthening the positions of [...] agricultural

producers on the domestic market” (Presidential Executive Office, 2015). Therefore, as further described by Yemelyanov, the EU’s sanctions can be seen as a ‘positive event’ for Russia, since in a bigger perspective, it contributes to the development of Russia’s agricultural sector (as cited in ‘Not Critical,’ 2018). Several arguments have been presented by Russia to describe the positive effects of the Russian embargo on its own economy, which will further be observed.

4.2.1.1 Self-Sufficiency

One of the opportunities the embargo created for Russia, was creating conditions suitable to stimulate the domestic food production, and increase its self-sufficiency and quality of the products in the agricultural sector. Since the import of agri-food products to Russia decreased because of the embargo, local producers had to increase their production, and diversify and improve their products. In 2017, Putin stated that the import replacement has led to notable growth in many areas of the agri-industrial structure (Presidential Executive Office, 2017). Therefore, as a result of the closure of the Russian market to competitors, the Russian agricultural producers had to improve, giving a possibility for the Russian market to bloom. As stated by Putin, the improvement of domestic agricultural products made it “practically impossible to compete with them inside Russia” in the future (Presidential Executive Office, 2018). Putin has stated, that the domestic market, especially the cheese sector, has seen excellent growth since 2014, when the embargo was imposed (Presidential Executive Office, 2018). He described that until then, Russia’s market was lacking freedom domestically due to “cheap cheese-like products” imported from the outside, that created unfair competition with local producers (Presidential Executive Office, 2018). According to Russia’s Ministry of Agriculture, also Russian-grown vegetables on the market, such as tomatoes and cucumbers, increased between 2016 and 2017 by almost 20% (as cited in Kalinina, 2017). The embargo has therefore created and advantageous opportunity for local agricultural producers to increase the quality and volume of their products, and increase their competitiveness domestically as well as internationally.

Russian citizens have described, that by 2016, many local farmers had reached an opinion that the embargo has launched the local economy and the country’s development (FRANCE 24 English, 2016). Many Russians working in the agricultural sector are therefore positive about Russia no longer being dependent

on the import of agri-food products, and hope that the embargo continues (FRANCE 24 English, 2016). Therefore, as seen through many agriculturals' eyes, the embargo is highly beneficial to those working in the sector.

4.2.1.2 Protectionism

To show the advantageousness of the trade sanction, the embargo has been presented as a measure to protect Russian consumers from bad-quality products from the outside. Russian Agriculture Minister Tkachev has expressed his appraisal for the embargo by stating, that since „about 25,000 tonnes of banned products have been destroyed since the introduction of counter measures in response to sanctions”, there is a reason to be positive about having „built a barrier against poor quality banned goods” (Presidential Executive Office, 2017). Russia has further derogated competing products from the outside by stating that imported products, such as „cheap powdered milk made using unpasteurized milk from the Baltic states,” lead to unfair competition on the domestic market due to the products' low prices (Presidential Executive Office, 2018). The embargo has therefore, according to Russia, helped to stop the „poor-quality products”, that damage the local agricultural industries, from reaching the Russian market (Presidential Executive Office, 2018). As a result, the ban on products from the outside has protected local producers, who do no longer have to compete with low-price, low-quality products.

As confirmed by an expert, the embargo therefore also has a protectionist motive, which may have been the primary motivation of the embargo (anonymous, personal communication, May 10, 2018). Already in 2010, the Russian Government adopted a "food security doctrine" to “ensure domestic food security” by establishing minimum self-sufficiency targets and necessity to guarantee food safety (Vassilieva & Smith, 2010). An expert on the field states, that as this doctrine did not create concrete guidelines of how to reach the targets, “it is obvious that the only realistic way to achieve them would be by restricting imports, in particular from the EU” (personal communication, May 10, 2018). As described by the expert, the embargo can therefore be considered to be an “an additional tool to achieve already established protectionist goals using the excuse that the Western sanctions had offered” (personal communication, May 10, 2018).

4.2.1.3 Increase in Exports

Furthermore, as a cause of improving and increasing domestic agricultural market due to the embargo, Russia has detected a possibility to increase its export of agri-food products. Putin has stated that Russia aims to increase the agricultural companies and operations, and increase production of products „highly competitive on the international market” (Presidential Executive Office, 2015). He has stated: “Russia can become one of the world’s largest suppliers of healthy, ecologically clean quality foods that some Western companies have stopped producing long ago” (Presidential Executive Office, 2015). In 2018, the President of Russia made a statement in the annual address, describing the dependency on food imports in the early 2000s and affirming that the situation has been turned around (Presidential Executive Office, 2018). He described, that Russia plans to be increasing its export within four years and will be “supplying more food to global markets than we will be importing from abroad” (Presidential Executive Office, 2018).

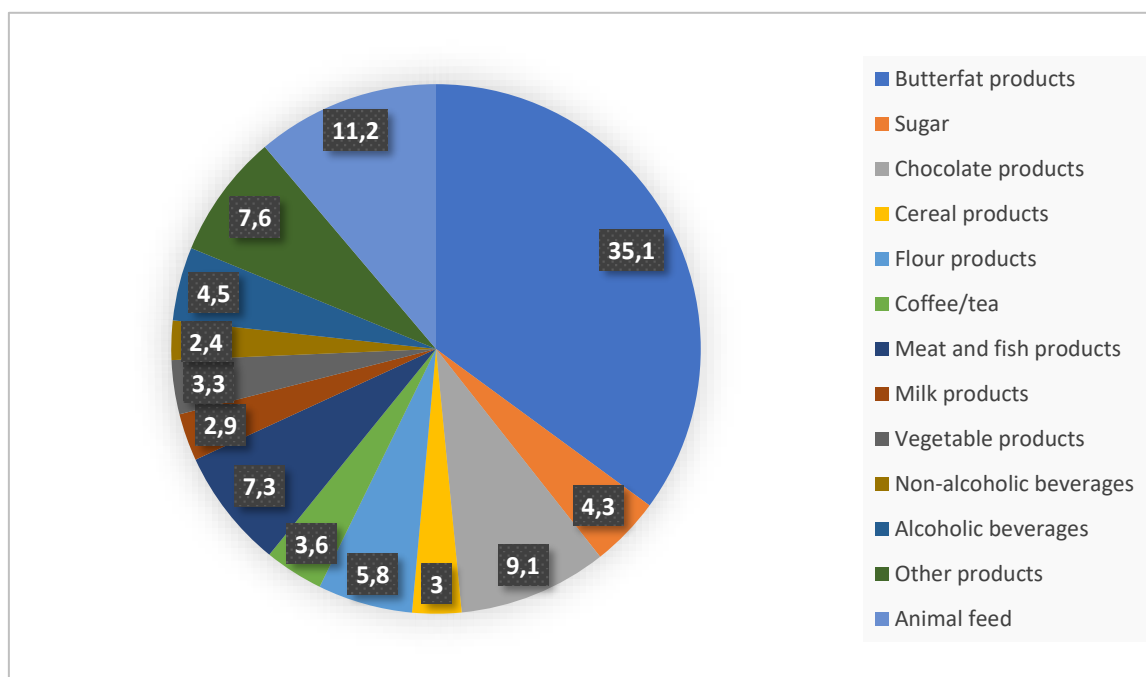


Figure 3. Russian export of products by percentage in 2017. Data from „Экспортные достижения пищевой промышленности России в 2017 г.” Retrieved from <http://www.e-cis.info/news.php?id=17825>

According to Russian Agriculture Minister Alexander Tkachev, Russia has seen existential increase in exported food products after the year 2014 (as cited in “Russian food”, 2017). Prime Minister of Russia, Medvedev, has made a clear

statement of Russia effectively earning the prestige of a “major supplier on the global food market” (as cited in “Russian food”, 2017). Figure 3 presents the products exported by Russia in 2017.

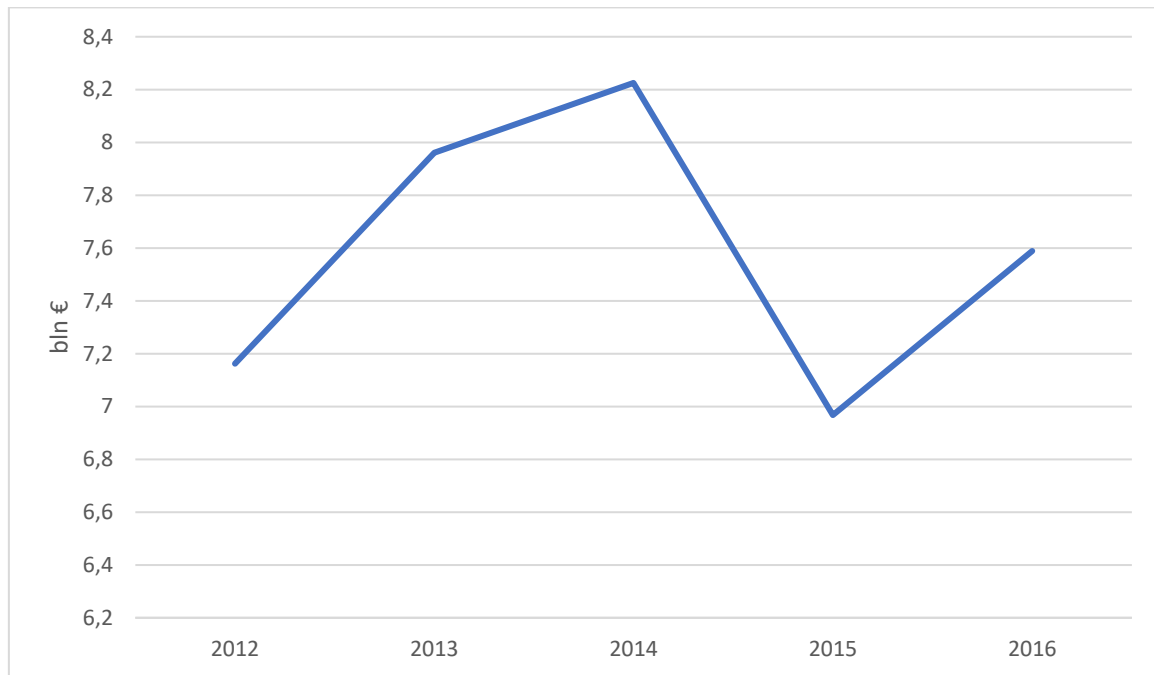


Figure 4. Russian export of food products to the world. Data from OECD (2018) Retrieved from <http://stats.oecd.org/#>

As illustrated with Figure 4, Russia’s food export is on the rise. However, it is apparent that the export suddenly dropped in 2014, after which it has not yet reached the same extent it had before.

Self-sufficiency, protectionism and increase in export can therefore be considered as additional stated goals of the Russian embargo. It can be concluded, that the embargo has given Russia the benefit to protect its market, become self-sufficient and increase its export.

4.2.2 Contradictory Effects

In addition to the positive aspects of the embargo, the ban also had inevitable negative influence on Russia’s agricultural market. As confirmed by Gerrits (personal communication, May 9, 2018), the embargo had more negative effects on Russia itself rather than the EU, which was, without doubt, the opposite of Russia’s intentions. According to the European Parliament (2017), the EU was the most important trading partner for Russia before the embargo, with a share of 42,4%. Furthermore, as stated by the European Parliament (2017), Russia has

been a major agricultural importer. In 2013, Russia's agri-food imports amounted to 36.8 billion Euros (European Parliament, 2017). Before the embargo, the EU was the largest supplier of agri-food products to Russia, making up 35% of the country's total import of the products (European Parliament, 2017). According to FAO (2014), Russia imported about 25% of all meat consumed in the country, with EU supplying 58,9% of pork of all imports in 2014. The EU was also a provider of milk and milk products, making up 37,4 % of imports, vegetables making up 31,9% and fruits 23,5% (FAO, 2014).

4.2.2.1 Deficiency and low quality of products

An expert on the field has described that the embargo even has a contrary effect on Russia's intended goals (personal communication, May 10, 2018). Since the EU was Russia's largest supplier of agri-food products before the implementation of the embargo, European Parliament (2017) has stated that the import ban led to a sudden drop of the products on the Russian market. To make up for the lost import, domestic producers had to increase the manufacturing of goods. An expert on the field has stated, that the "absence of competition [on the Russian market] leads to insufficient investment on quality" (personal communication, May 10, 2018). It has been observed, that the locally produced food could not replace some products of the European standards with the same quality, especially cheese (Kalinina, 2017). According to the Russian Federal Statistics Service Rosstat, 30% of cheese on the Russian market was imported from Europe before the implementation of the embargo (as cited in "Рынок сыра", 2017). Cheese producers therefore faced difficulties, since there was a lack of subsidies and knowledge to create similar products („War and cheese", 2016). For example, a Camembert of French quality is difficult to imitate. The lower quality products are also not highly competitive at international level, which is not beneficial for Russia in terms of increasing their export (anonymous, personal communication, May 10, 2018).

Furthermore, the imported agricultural products from the EU also included raw products. Therefore, the loss of the import of these raw products created a deficiency of substances necessary to produce several food products domestically. The remaining partners could only replace the banned products from the EU gradually, creating a sudden deficiency on the market, and creating a pressure on the prices (FAO, 2014).

4.2.2.2 *Increase in prices*

As presented by figures collected by the BBC's Russian Bureau, the cost of food prices has increased since the implementation of the embargo (as cited in Kalinina, 2017). The cost of food increased by 26% in February 2015, being the highest increase throughout all the years (Trading economics, 2018). Different data has been presented regarding the total increase in percentage: Kalinina (2017) has stated, that it is visible in the media that prices have increased by 69%, whereas the Russian ministry presents an increase of 32%.

Thus, as Russia has been highly dependent on the EU in terms of agri-food trade, the embargo had an impact on Russia's market as well. Therefore, even though the embargo has created beneficial conditions for the agricultural sector, Russia faced negative consequences such as deficiency and low quality of food products, as well as increased prices.

4.2.3 *Impact on the EU*

The EU has, for many years, been an important player on the agri-food trade market. According to the European Parliament (2017), Russia was the fourth largest trading partner of the EU in 2013, counting for 7,7% of EU's total exports. Russia was the second biggest destination market for agri-food goods for the EU, with the agri-food exports to Russia amounting 9,7% of total trade in 2013 (European Parliament, 2017).

According to the European Commission (2017), around 4,2% of all EU agri-food exports was affected by the import ban. The ban had an impact on the export to Russia, as the agri-food exports from the EU to Russia halved in three years, dropping from around 11.8 billion euros in 2013 to 5.6 billion euros in 2016 (European Commission, 2017). The value of products banned by Russia is presented in figure 5. Furthermore, as defined by the FAO (2014), the embargo was „sudden and unexpected”, making it difficult to adapt immediately. These sanctions on agricultural products therefore initially affected EU's agricultural sector.

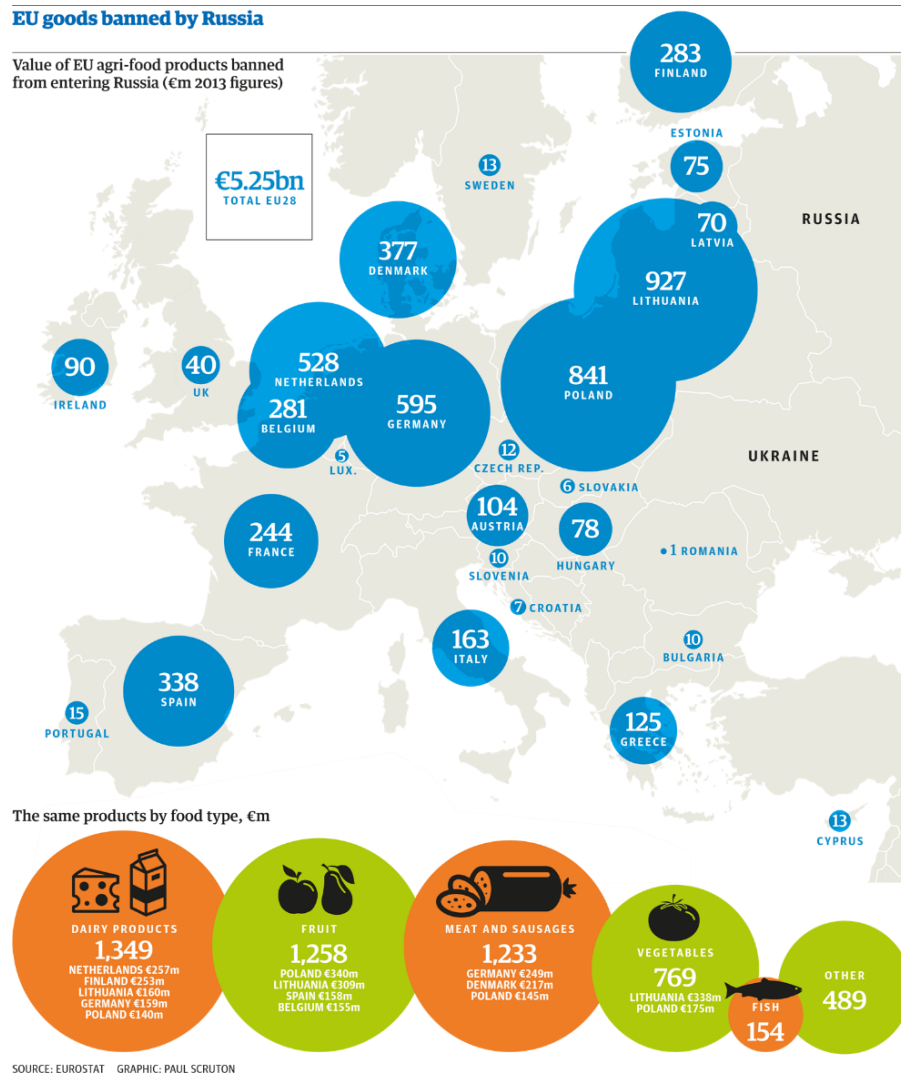


Figure 5. Value of EU agri-food products banned from entering Russia (€m 2013 figures). Reprinted from McCarthy (2014). Retrieved from <https://www.statista.com/chart/2611/price-increases-in-russia/>

Regardless of the potential high cost the embargo imposed on the EU, the embargo did not have major negative impact on the EU. Initially, the embargo did indeed affect the EU's agri-food export to Russia. However, the EU has engaged in several alternative markets and created support measures for the producers negatively impacted by the ban.

The lack of negative affect of the embargo is illustrated in figure 6, which presents that the EU28 size of GDP per capita was not altered with the embargo.

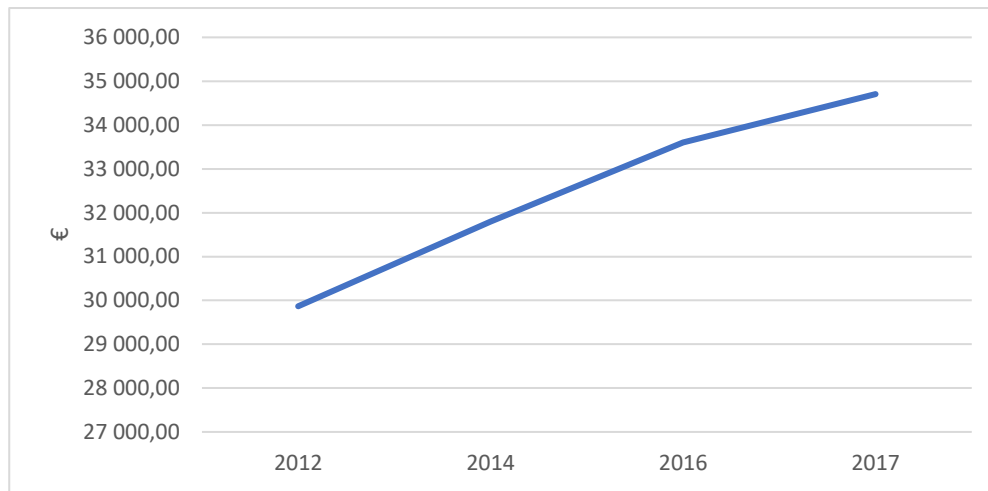


Figure 6. EU28 Size of GDP per Capita 2012-2017. Data from OECD (2018)

It has been observed, that the EU has been maintaining its strong position on food exports regardless of the loss of the Russian market. According to the European Commission (2015), even in the year of the embargo implementation, the EU managed to remain its position of a major exporter, and increase the agri-food exports, with the sector making up 7% of all goods exported.

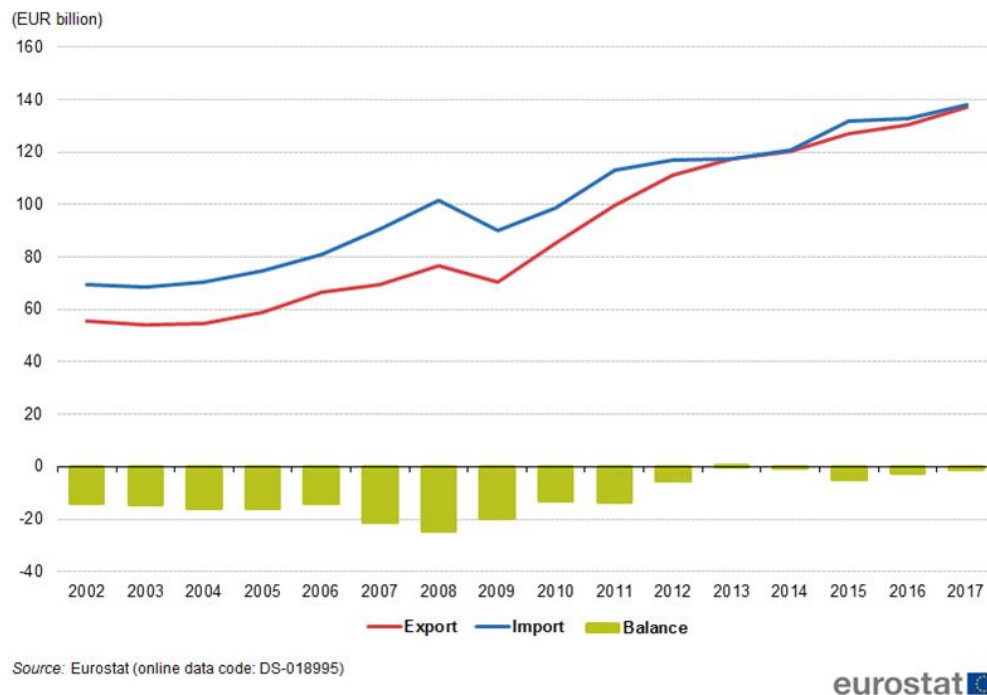


Figure 7. EU-28 exports to all countries outside the EU, imports and trade balance of agricultural products, 2002-2017. Reprinted from Eurostat (2018). Retrieved from http://ec.europa.eu/eurostat/statistics-explained/index.php?title=Extra-EU_trade_in_agricultural_goods#Context

Furthermore, in Figure 7 that presents the overall trade between the EU and all countries outside the EU, it is visible, that the embargo did not impose a negative effect on the EU exports of agricultural products to the world.

4.2.3.1 *Enlargement to alternative markets*

The embargo's insignificant impact on the EU's trade can be explained by the EU's engagement in several alternative markets to make up for the loss of the Russian market. As stated by the European Commission (2016), „diversification of exports has been the key word of EU agri-food trade policy in the aftermath of the Russian embargo, enabling the EU to maintain the high level of exports and consequently its position as the world's No.1 exporter”. As further confirmed by an expert on the field, the engagement in alternative markets has been the main element of decreasing the negative impact of the embargo (personal communication, May 10, 2018).

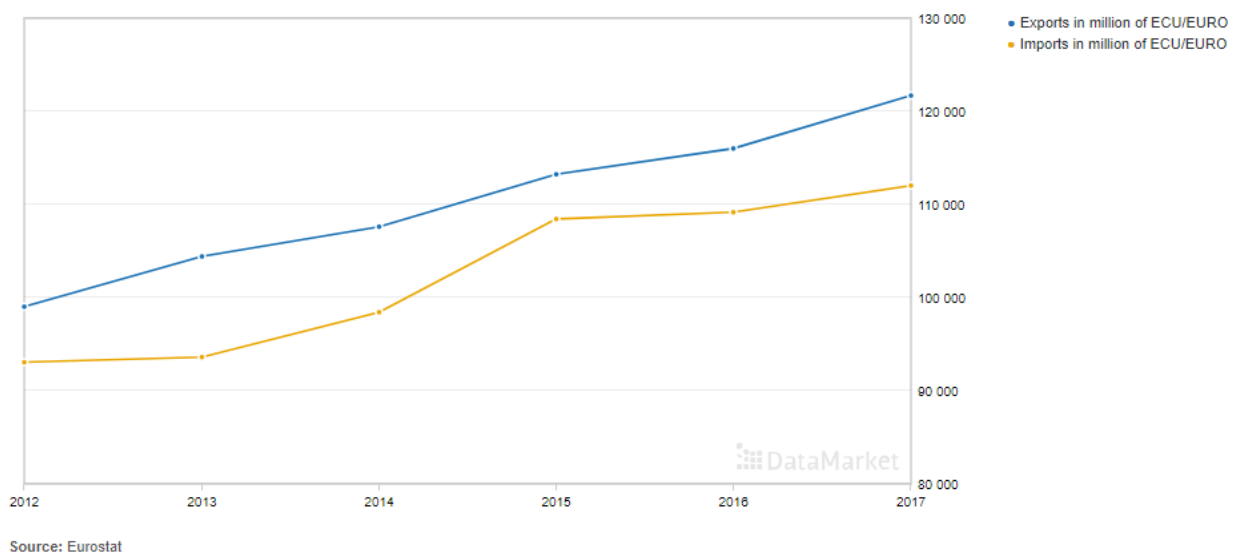


Figure 8. Share of EU in the World Trade. Reprinted from Eurostat, 2018, retrieved from http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ext_lt_introle&lang=en

As presented in figure 8, the share of the EU in the world trade has been increasing after the embargo implementation in 2014, which can be linked to the EU's enlargement to new markets. According to the European Parliament (2017), the alternative markets where agri-food exports were redirected to, were mainly the USA, China and Japan. According to the European Commission (2016), the EU has been intensifying negotiations of trade agreements between several additional trade partners. Trade agreement has been concluded with Vietnam, whereas

progress has been made with Japan and Philippines, with a plan to negotiate also with Australia and New Zealand (European Commission, 2016).

4.2.3.2 *Support measures*

Furthermore, according to the European Commission (2017) and an expert on the field (personal communication, May 10, 2018), the EU support measures created to help the affected sectors, have majorly helped to reduce the loss embargo had caused. As stated by the European Commission (2017), Operational programs, grants and aid, refunds and several emergency measures have been assured by the EU to resolve financial problems of farmers, who were affected by the embargo.

Therefore, as a result of engaging in alternative markets and EU's support measures, the EU's agricultural trade sector has not majorly suffered due to the Russian embargo.

4.2.4 *Effectiveness*

In addition to the embargo being unsuccessful in terms of tightening the EU's trade, the embargo has also not resulted in EU lifting their sanctions. Therefore, both sanctions have proven to be ineffective as no change has taken place from neither the EU nor Russia. The situation of sanctions between the EU and Russia is therefore generally viewed a game, where neither side complies to the opponent. As described by Slobodchikoff (2014), the West's sanctions have had no effect on Russia's actions in Crimea, and the situation has only represented the evidence of "the West [being] unable to influence Russian behavior". Furthermore, data show that Russian counter-sanctions have not had a major negative impact on the EU's trade and economy. Furthermore, to this day, the ban has not loosened EU's sanctions. The ineffectiveness of the Russian embargo has been affirmed by Bader, Gerrits and an expert on the field, who have all confirmed the universal understanding of the Russian embargo not being successful so far (personal communication May 3, 2018; May 9, 2018; May 10, 2018). As described by Gerrits and Bader, the embargo has not been successful since the EU has not changed its attitude towards Russia, but has instead continuously extended the sanctions. As it appears, the effectiveness of the sanctions has been evaluated based on the economic cost to the target country and the foreign policy goals reach. However, in addition to the results presented, the evaluation of effectiveness of the Russian embargo can be observed in broader terms by viewing the situation through a game theoretical perspective. In order to observe the Russian embargo through a

game-theoretical perspective, it is foremost important to identify the game-theoretical characteristics of the Russian embargo.

4.3 Russian embargo as a game

Russia's embargo's effectiveness on agri-food products can be observed and analyzed using theories of economic sanctions. Furthermore, the situation can be observed through the game-theoretical perspective due to several factors. The implementation of factors in this report applies to the general idea of a game as we know it, rather than diving deep into mathematical equilibriums to calculate the likelihood of the embargo's effectiveness. It is therefore necessary to identify, why the Russian embargo can be viewed as a concept in a game.

4.3.1 Back-and-forward

One of the indicators making the Russian embargo a part of a game is, that the actions of Russia triggered the response from the EU, after which Russia responded. This line of back-and-forward actions implies to the game theory of sanctions and makes the game theory applicable for describing the situation. Furthermore, the implementation of sanctions took place in stages. In a game, the coercer imposes sanctions and then, according to the target's response, decides whether to remove the sanctions or not. This is apparent in the actions of both, the EU and Russia, that have been extending sanctions several times, since no change has taken place in the counterplayer's actions.

4.3.2 Evaluation of moves

The game situation began with Russia's evaluation of possible steps to take after the EU's sanctions on Russia, and the evaluation of whether it would be worth to impose sanctions. Both, the EU and Russia, had multiple possibilities to make moves, which had to be evaluated before being acted upon. Russia decided it was in its best interest to impose the countermeasures on the EU. Putin has acknowledged, that limiting food import from the EU might have a negative effect on Russia as well, yet considered the negative effects to be minor (Presidential Executive Office, 2014). The President has stated, that the positive aspects highly outweigh the negative "for stimulating the development of [Russian] agriculture, freeing the market from Western manufacturers that have thoroughly assimilated in [Russian] market" (Presidential Executive Office, 2014). Therefore, based on

Russia's evaluation, possible outcomes of imposing the ban outweighed the risk of its own economy's possible suffering and loss.

The evaluation of steps implies to a game, where "the strategy of each player depends exclusively on the payoffs of the opponent" (Tsebelis, 1990). As described, the choices for both Russia and the EU were if to impose sanctions and whether or not, as well as how, to respond to the EU's sanctions. This had to be done by defining the possible strategies and payoffs of the counterplayer. The Russian embargo was carefully evaluated before the implementation, in order to assess the risks and desirability. As stated by an expert on the field, Russia acknowledged and understood the motives of the EU (personal communication, May 10, 2018). The expert described that this resulted in a strategy that would supposedly ensure Russia from extra harm by covering specific products with the ban, while making sure „added value material required to invest in Russian national agriculture" would not be affected (personal communication, May 10, 2018). The strategy of the ban was therefore a result of careful assessment of the EU's motives, and analysis of the possible consequences of different strategies.

4.3.3 Specific target countries

Another factor that indicates the embargo being a move in a game is, that the embargo targeted only those countries, that had imposed the sanctions on Russia, such as the EU, USA and Norway. Therefore, Russia has set the embargo only on those, that had imposed sanctions on Russia, yet in the meanwhile keeps the market open to other countries. The decree of the embargo, however, states that Russia's intention is to protect the security of the country. The fact that Russia needs to protect its security, yet imposes a ban only on chosen countries, is in dissonance with the declared goal. The factor of the embargo being implemented only on the countries, that had imposed sanctions on Russia, raises questions over the stated intentions. The Russian countersanctions imply, that the embargo simply served as countermove to make a statement to the EU and work towards additional motives, rather than a measure to reach a foreign policy goal or protect its security.

4.3.4 Resistance

Furthermore, neither side has lifted the sanctions. It is visible, that as long as the EU remains its sanctions, Russia will not lift its sanctions either. This can be characterized as a move in the game, where the counterplayer's actions trigger a

response according to the player's strategies. As the EU and Russia are not aware of all strategies of their counterplayer, the goal of the parties would be to outsmart their opponent. For Russia, therefore, the final goal of the game would be to make the EU believe, that the best choice would be to lift sanctions from Russia. However, as in a game, neither side wants to lose the game by lifting its sanctions.

4.3.5 Skepticism

Furthermore, in a game, each side has a preference regarding the existence of sanctions in resolving the issue. Regarding the EU and Russia, the sanctions are certainly a cause for misunderstandings. Russia has majorly demonstrated its discontentment with EU's sanctions and sanctions policy overall, saying they are not necessary and are rather ineffective. Therefore, as Russia itself does not consider sanctions to be an efficient foreign policy instrument, yet imposed the embargo on the EU, it can be ratiocinated that Russia imposed the embargo for other reasons than reaching the foreign policy goal.

4.3.6 Different goals

Furthermore, since Russia and the EU are 'playing' against each other, there are different goals and motives for both sides, that are either made known for the opponent or communicated to the counterplayer. For the EU, the goal is to pressure Russia's actions in Crimea, while Russia has stated its countermeasure to be imposed in order to pressure the EU to remove their sanctions. Russia's additional goals have been identified to be protectionism, self-sufficiency and increase in exports, while possible unstated goals will be discussed further in this report.

5 (Un)success of economic sanctions

Scholars analyzing economic sanctions have created several equilibriums to analyze and evaluate the likelihood of economic sanctions succeeding or failing. Hufbauer, Schott and Elliott (1985;1990), Lacy and Niou (2004), Baldwin (1985), Kaempfer and Lowenberg (2007) and Tsebelis (1990) have been some the most dominant scholars to study sanctions, analyzing different conditions and outcomes of economic sanctions. Their models set conditions and play out equilibriums, describing different possible scenarios and observations of economic sanctions. Their observations on sanctions present important factors of success factors of sanctions, which will further be applied in this report. Furthermore, several of the described conditions are in correlation with the game-theoretical approach, such as additional motives of the coercer, which will also further be applied.

According to Hufbauer and Schott (1985), there are five ways for a country to resolve foreign policy conflicts: diplomacy, political coercion, economic coercion, covert action, and military intervention (Hufbauer & Schott, 1985). As described in various literature, economic sanctions have been viewed as a better alternative to military powers when trying to affect a target country's actions and policies (Kaempfer & Lowenberg, 2007). As stated by Kaempfer and Lowenberg (2007), "economic sanctions are supposed to work by imposing some kind of pain on the target country," which as a result alters its actions and policies in order to positively respond to the sender and satisfy its demands. Economic sanctions, which are strict yet not conflict inducing, are therefore often seen as a central way to take (Hufbauer & Schott, 1985). Trade sanctions, in comparison with other diplomacy tools, enable a country to express their position without the risk of direct battle and degradation (Hufbauer & Schott, 1985). The popular view on economic sanctions presents, that if the sanctions lead to a cost for the target country, as a result of which the target country changes the course of its actions, the sanctions can be considered successful. According to Hufbauer and Schott (1985), various policy goals can be addressed with sanctions, such as: modest policy goals that relatively limited and specific in scope; destabilization such as overthrowing of a foreign government; disruption of military adventures; and impairing military potential by weakening the economy of the target country by heavy costs on its economy and through that decreasing its military potential (Hufbauer & Schott, 1985).

After extensive observations and various speculations made about success of sanctions, scholars are still debating over whether sanctions can serve as an effective way to influence a target country. What appears to be a common standpoint among scholars is, that it cannot be stated that sanctions certainly do not work. After all, as pointed out by Baldwin (1985), if that was the case, implementing sanctions would not even be considered. However, different opinions rise, when observing the conditions based on which successful sanctions are defined, and the necessary characteristics for sanctions to be successful. It is therefore important to first observe these different standpoints on the success of sanctions.

A dominant point of view among scholars, such as Baldwin (1985), Lacy and Niou (2004) and Kaempfer and Lowenberg (2007), is that the effectiveness of sanctions is often evaluated based on insufficient conditions and results, which has made sanctions seem as an inefficient foreign policy tool. More specifically, Baldwin (1985) and Kaempfer and Lowenberg (2007) argue that the effectiveness of sanctions cannot be evaluated merely on the success of the initial goal of the sanctions, that is by evaluating the success in economic values, but rather by additional positive effects the sanctions bring along.

Therefore, the main goal of economic sanctions is to affect the economic conditions of the target country, and through that pressure the target to change its course of actions. However, sanctions often serve further purposes that are often not communicated to the target. The acknowledgement of possible additional motives of the coercer, which could arise during sanctions and may be intended or unintended, is common among scholars that otherwise represent different standpoints. As described by Hufbauer, Schott & Elliott (1990), sanctions imply to the target country, that the sender is not content with the country's actions, while to the domestic audiences it implies that the sender's government will take action to protect its citizens. Furthermore, as stated by Kaempfer and Lowenberg (2007), „sanctions may be imposed not to bring about maximum economic damage to the target, but for expressive or demonstrative purposes”. Furthermore, according to Baldwin (1985), „sanctions [...] are means to exercise power”. International economic sanctions are therefore often implemented not only in order to-and influence another government's policies and behavior through economic pressure, but also to project the power (Kaempfer & Lowenberg, 2007). Sanctions therefore

often have symbolic motives, that present outrage, while in reality no action is expected from the target country as a result of the sanctions (Hufbauer & Schott, 1985). Therefore, sanctions are majorly about imposing power on the target country and, as a result, might have an effect by influencing the target country with the signals sent „about the intentions of the state imposing the sanctions” (Baldwin, 1985). According to Baldwin (1985), therefore, the success of sanctions, if viewed in a broader concept, can be evaluated not solely whether the target changed the objected behavior or was influenced on the cost of economy, but also broader variables such as effect on international reputation. Furthermore, as the game of sanctions takes place as a continuum, where the countries decide the level of intensity of actions rather than between two extremes, it is difficult to set concrete terms and conditions to measure the success of sanctions (Baldwin, 1985).

As an additional insight to evaluating the success of sanction, Lacy and Niou (2004) state the threat stage is of major importance when observing economic sanctions. The scholars describe, that sanctions that are likely to be effective, succeed already at the threat of the sanctions. Indeed, the coercers, acknowledging the unlikelihood of the sanctions succeeding, often impose the sanctions even though the target has not complied to the threat (Lacy & Niou, 2004). However, the threat stage has been undervalued when trying to evaluate and understand the result of sanctions. When measuring the effectiveness of sanctions, the cases where sanctions have remained a threat, have not been used to analyze the impact of the potential sanctions. The evaluations have therefore not been sufficient when observing the effectiveness of the process of sanctions. Baldwin’s (1985) and Lacy and Niou’s (2004) common stand therefore is, that the success of sanctions has been measured inefficiently, due to not correctly identifying what is ‘success’ in the first place, or ignoring the cases, where sanctions work in the threat phase.

Hufbauer, Schott and Elliott (1990), Hufbauer and Schott (1985) and McLean and Whang (2010) lead the view of economic sanctions being a possible successful instrument in reaching the intended foreign policy goals, with the emphasis on the necessity of correct implementation. The scholars have therefore presented insight to necessary characteristics for sanctions to be successful.

The researchers point out several reasons sanctions often fail in reaching the goal of altering the actions and policies in the target countries. They describe, that there

are several reasons implying why sanctions do not succeed, such as the sanction not being adequate to reach the desired goal, because the goal is “too elusive” or that “the means [are] too gentle” (Hufbauer et al., 1990). Furthermore, agreeing with the previously mentioned scholars, Hufbauer, Schott and Elliot (1990) state that sanctions may bring unintended effects, such as the target country’s unification, alternative ways of coping with the situation such as improving businesses at home, and finding new allies abroad. This, in turn, may lead the sanctions to not reach the desired effect on the economic platform and therefore make sanctions ineffective (Hufbauer et al., 1990). This approach is supported by McLean and Whang (2010), who put emphasis on the importance of the coercer being the most important trading partner for the target country, making it difficult to being replaced.

Furthermore, when implementing sanctions, it is often ignored that the opponent is a rational being, who is also trying to make the best choices for its own good and benefits (Tsebelis, 1990). Instead of acknowledging that the goal of the target country is to decrease the effect of sanctions, it is assumed that the opponent’s actions are inconsequential and rather random. Overlooking that important condition often leads to inefficient sanctions, since the opponent’s actions are undervalued. Therefore, the low success rate of sanctions can also be caused by ignoring the target country’s goals and motives.

Therefore, the effectiveness of sanctions is commonly viewed by identifying whether the foreign policy goal has been reached. However, the literature is clear in saying that the effectiveness of sanctions cannot solely be measured by the foreign policy goals reached, since the sanction may result in several additional outcomes that may have been the motives of the coercer. As this outlook is in correlation with the game-theoretical view, where the counterplayer might have additional stated or unstated goals, it helps to observe effectiveness in broader terms, which is the central perspective of this report. Furthermore, Hufbauer and Schott’s (1985) and Tsebelis’ (1990) view that economic sanctions are often not imposed correctly, under right circumstances and with correct motives, due to which the sanctions are bound to fail, has led the scholars to create several ‘rules’ for the coercer to ensure the success of sanctions. This research will further apply these factors to evaluate, whether the Russian embargo corresponds to these conditions, and by that measure the potential effectiveness of the case.

Therefore, regardless of the Russian embargo seemingly not having been effective so far, it can further be evaluated by re-defining effectiveness, in order to evaluate the embargo's effectiveness. This research will therefore apply the characteristic of additional unstated and stated motives in sanctions, which correlates with the game theoretical view, with the perspective of re-defining effectiveness on the case of Russian embargo.

6 Effectiveness of the Russian Embargo: Redefined

Scholars have taken several different approaches on the effectiveness of sanctions. As described by Tsebelis (1990), the most regular way to evaluate, whether sanctions have been effective, would be to compare the target country's accordance with the standards before and after the sanctions were implied. In case of apparent difference between the two occasions, it would be considered self-evident that the sanctions have been effective (Tsebelis, 1990). Therefore, as previously described, when analyzing the effectiveness on the Russian embargo by comparing EU's compliance with Russia before and after the embargo, it appears to be self-evident, that the embargo has not been successful in achieving the goal.

However, in many cases, the success of sanctions cannot solely be measured by the foreign policy goals reached, since the sender country may have several motives and goals, some of which might have not been communicated to the target. In the end, therefore, it may be apparent that the foreign policy goals initially stated were not achieved, but the situation still results in effective sanctions game for the sender country. As previously mentioned, there are often differences in the final goal of the conflict, just like in a game. This condition has been well defined by Hufbauer and Schott (1985), who said that after all, „success is in the eyes of the beholder”. Keeping that in mind, it is visible that the EU's goal is for Russia to back down in their activities in Ukraine. Analyzing the case of the Russia embargo, on the other hand, it can be observed that Russia might have had additional motives when implementing the embargo, resulting in intended or unintended beneficial consequences (Oversloot, personal communication, May 15, 2018). Therefore, in addition to observing the target country's compliance with the coercer's demands, the effectiveness of the sanctions can be re-defined by bearing in mind that sanctions can, regardless of not having reached the foreign policy goal, lead to several additional positive outcomes for the coercer, which may have not been communicated to the target. Those positive outcomes can, therefore, make the sanctions effective for the coercer regardless of not having reached the foreign policy goal. Some of the additional stated goals, such as self-sufficiency, protectionism and increase in exports have been described in previous chapters. The additional motives, that had not been communicated to the EU, have been detected through this research and will be discussed in the following chapter.

This chapter first evaluates the potential success of the embargo by evaluating the embargo's accordance with success factors defined by Hufbauer and Schott (1985). The chapter then presents Russia's additional unstated motives and achievements with the embargo, to measure the effectiveness through the game theoretical perspective of 'success being in the eyes of the beholder'.

6.1 Potential Success of the Embargo

Before analyzing whether the embargo can be considered to having been effective for Russia, it is important to evaluate the potential success of the embargo by evaluating the circumstances with the success factors of sanctions. Scholars have created several conditions that are necessary for sanctions to be effective. The factors defined by Hufbauer and Schott (1985), who created 'rules' for implementing sanctions for the coercer country, can be used to analyze the potential success rate of the Russian embargo.

6.1.1 Moderate goals

Regardless of embargo's initial negative effect on the EU's market, the EU has not changed its position towards Russia after the implementation of the embargo. As complying with Russia would mean to remove EU's own sanctions, the action would make a counterstatement to the EU's current belief „in the importance of upholding its sanctions against Russia” (Bader, personal communication, May 3, 2018). The EU has presented its strong disapproval of Russia's actions in Crimea, and it would therefore not lift the sanctions because of the embargo, unless Russia itself changes its course of actions. Russia's goal to make EU change its attitude and lift the sanctions, was therefore not reasonable, since the EU has a strong stand on the issue and is not likely to back down. The factor therefore proves to be negative regarding the Russian embargo.

6.1.2 Weak target

In order for the sanction to be successful, the target should be weak. The EU, however, has proven to resist to the embargo's pressure. Regardless of the embargo, the export of agri-food products overall has continued to increase and trade has not suffered severe consequences. Regardless of the import ban imposing a potential high cost on the EU due to high dependence on the Russian market, the EU has found alternative markets and has discovered its way out of the negative trade situation with Russia. In addition, the institutions of the EU

have supported the agricultural producers with several programs and subsidies. Since the Russian embargo, the European Commission has created several programs and measures to provide funding for EU farmers, in order to ensure their survival. Measures have also been promoted in order to find alternative markets. Even though Russia's sanctions imposed a high cost on the EU member states regarding the export to Russia, the Union has proven to be strong in its alliance, and has found ways to strengthen its bond against the negative effects the embargo brought. Therefore, the EU has not appeared to be a weak target, but has resisted the pressure well.

6.1.3 Close partnership

The factor that makes the embargo potentially successful is the fact, that Russia has considered the EU its ally. The partnership between the EU and Russia has appeared to be strong in the past. Russia has been one of the main trading partners of the EU, and the EU has been the biggest trading partner and investor for Russia. What further describes the importance of the EU for Russia, is The Foreign Policy concept of the Russian Federation, which states that "Of key importance are relations with the European Union" (FAS, 2000). The concept further states that „Russia will seek due respect for [European development's] interests", while highly valuing „bilateral relations with individual EU member countries" (FAS, 2000). According to Russia's Foreign Policy concept, "the Russian Federation views the EU as one of its main political and economic partners" and strives for an effective, long-term cooperation with the Union (FAS, 2000). Therefore, for Russia, partnership in trade, relations with the EU and the cooperation with the Union have been of high importance. The EU has, therefore, been in close partnership with Russia. However, as a result of several conflicts that Russia is a part of, the relations between the countries have intensified, weakening the bond of alliance.

6.1.4 Maximum cost at target

Russia's embargo certainly intended to impose a maximum cost at the target country, as Russia was one of the biggest export markets of agri-food products for the EU. Banning the import of the products, therefore, targeted an important sector of the EU's trade. Russia targeting the important sector therefore imposed a potential high cost to the EU. However, the EU could overcome the drop in the

export market, which meant that embargo no longer imposed such a high cost on the EU.

6.1.5 Sudden implementation

The implementation of the Russian embargo has described to have been unexpected, resulting in the EU's agricultural producers not being ready to adapt to the new situation swiftly and effectively. The products that were previously exported to the Russian market and were dependent on it, had to find new markets. Finding new markets, however, is a long-term process. Therefore, the EU's agricultural producers suffered due to the loss of a major export market, and the EU had to come up with solutions without long preparation. Relating to that potential success factor, the embargo had a benefit of the sudden implication.

6.1.6 Low risk for the coercer

For the imposed sanction to have a potential for success, the imposing country should not have a high risk of costs. For Russia, however, that has not proven to be applicable. Regardless of presenting the embargo as a condition leading the country towards self-sufficiency and a dominant exporter in the world, it has been concluded that the embargo has hurt Russia more than it has influenced the West. Due to the increase in prices, lack of products and competition on the market, it is visible that the ban has been more hurtful for Russia than for the EU. Furthermore, the EU's exported food products counted for a large amount of Russia's import, which meant that the embargo caused a sudden drop of food on the domestic market. Therefore, due to the EU being a main partner in agri-food trade, it is visible that Russia had a high risk with imposing the embargo. However, Russia imposed the ban regardless. It can therefore be assumed that Russia was aware of the possible negative effects of the ban, and imposed the sanctions since it evaluated the embargo's positive aspects to outweigh the negative aspects the ban was going to bring. Regardless of Russia's final decision to impose the embargo, the factor proves to be negative, since it can be concluded that Russia had a risk of high costs due to the high dependency on the EU.

In addition, Tsebelis (1990) has pointed out that the coercer often overlooks the fact, that the counterplayer in the game of sanctions is a rational being with its own motives and goals. Therefore, as the EU's goal is to pressure Russia to change its actions, which has not been reached, it is also unlikely that the sanctions

against the EU would bring a change. Therefore, as the EU's goal and determination remains, it is difficult for Russia to bring a foreign policy change with the embargo.

Based on the potential success factors of the sanctions, it can be concluded that several factors of the embargo have forecasted the inefficiency of the embargo to reach its foreign policy goal. Namely, the embargo's goal was not moderate, the target was not weak and the coercer had a high risk of cost. Furthermore, the EU itself had its own motives and goals, which contradict Russia's goal with the embargo. However, what was in the benefit of the embargo's success was that the EU has been Russia's partner, the embargo set a high cost on the EU and did not give time for the target to adapt. However, even though these factors proved to be positive, other factors such as Russia's intensifying relations with the EU and the EU's internal alliance weaken the factors' application in the situation. This section has helped to understand, why the embargo has not achieved its foreign policy goal and is generally viewed as ineffective. The following part of this paper moves on to describe the effectiveness of the Russian embargo in a broader perspective.

6.2 Unstated motives

In addition to evaluating the potential success of the Russian embargo based on the previously stated success factors of economic sanctions, it is apparent that the EU has not obeyed to Russian sanctions and it can therefore be concluded that embargo has not been effective. However, when viewing the situation through a game-theoretical perspective, the effectiveness of the embargo can be analyzed further by following the assumption of sanctions being effective for the coercer due to additional positive outcomes. It is visible that regardless of Russia not achieving EU's compliance, the embargo has led Russia to enjoy several positive outcomes of the situation of the embargo, which can be considered to make the embargo beneficial for Russia. Russia has presented its protectionist motives and has stated, that the embargo has helped reach self-sufficiency and increase in exports. To further analyze the effectiveness of Russia's embargo through the perspective of a game, it is important to identify the possible unstated motives and achievements, that have arisen for Russia as a player in the game.

6.2.1 Unification of citizens

In addition to Russia's representation of the embargo having strengthened its economy, the embargo has also strengthened the community of its citizens. Even

though the selection of products on the shelves is smaller and the taste of Russian Camembert is arguably not as good as of French Camembert, the people agree to eat the food since that way they can present their support for Russia and resistance to the EU. Many farmers are benefitting from the situation and believe, that the embargo has given them an opportunity to increase production of products. As a result, the farmers have increased respect for the government.

It has been observed, that Putin has received additional support from Russia's citizens as a result of the embargo. Since the embargo has been presented as a measure that is beneficial to Russia and its citizens, Putin's status has risen in the eyes of the people of the country. Data present that the President is „hugely popular with Russians,” which has been further increased with Putin's „latest show of defiance against the West” (“Russia sanctions itself”, 2014). The embargo has therefore strengthened Russia's citizens in their unification against the West.

Putin has taken several stands in front of its people, by presenting that the sanctions situation has not been initiated by Russia, but by the West (Presidential Executive Office, 2016). With his speeches, he has implied that Russia solely took reciprocal measures, while the „current breakdown, disruption, problems and sanctions” were initiated by the West (Presidential Executive Office, 2016). This kind of presentation has created additional support from the citizens, as the West has been visualized as the player initiating the situation, while Russia is solely responding and trying to improve the well-being of citizens.

Furthermore, the improvement in the agricultural sector and domestic economy persuades the citizens to support the embargo, and with that increase loyalty for the President. Mr. President appeals to his audience by stating, that improving the life of its citizens is one of his priorities, which will definitely be achieved (Presidential Executive Office, 2018). A Russian local cheese-producer Mr. Sirota has stated, that before 2014 he did not support Mr. Putin (as cited in “War and cheese”, 2016). However, after seeing how Mr. Putin's actions have been bringing Russia closer „to the country [he has] dreamed of”, he realized the President's goal is to „restore Russia's self-sufficiency” and ensure its prestige (as cited in “War and cheese”, 2016).

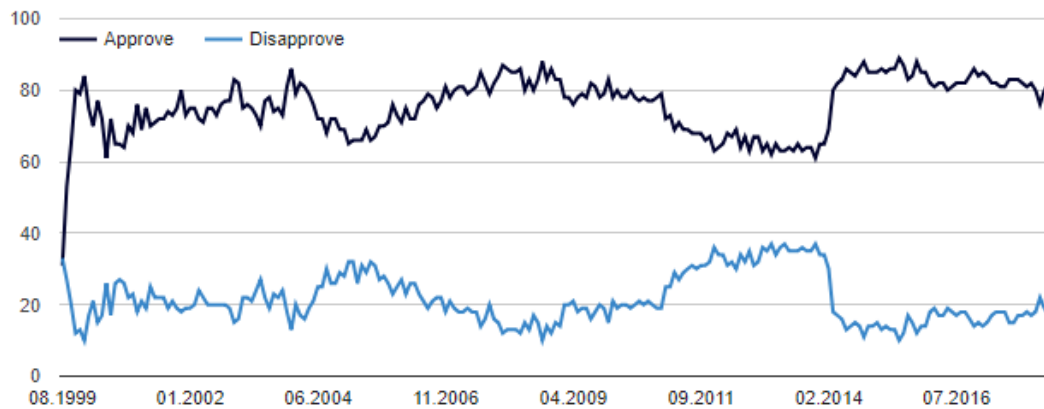


Figure 9. Putin's approval rating. Reprinted from Putin's Approval Rating, by Levada-Center, 2018 retrieved from <https://www.levada.ru/en/ratings/>

According to indicators provided by Russian polls, the Levada-Center presents that approval rates of Putin skyrocketed from stable 65%-70% to 80% in March 2014. From then on, the approval ratings have been varying between 80%, with the highest of 89% in June 2015 (Levada-Center, 2018). As recorded by Levada-Center (2018), as of April 2018, the approval ratings of Putin are represented by 82% of the total respondents.

6.2.2 Improving power status

Assumedly, one of the statements Russia intended to make with imposing the sanctions was, that the country is not afraid of the West. The countersanctions therefore present that Russia is prepared „to take greater risks” and show its power (Hill & Pifer, 2015). Analyzing statements by Putin, it can be observed that the president has set high importance on the prestige, greatness and power of his country. Furthermore, the National Security Concept of Russia states that “threats to the national security of the Russian Federation in the international sphere can be seen in the attempts of other states to hinder the strengthening of Russia as a center of influence in the multipolar world, prevent the implementation of its national interests and weaken its position” (FAS, 2000). It can therefore be inferred that as Russia “considers the former Soviet Union's area as its legitimate ‘privileged’ sphere of influence,” interference with Russia's actions in that area by other states is strongly not preferred by the country (Gerrits et al., 2008). Therefore, the EU's sanctions were seen as a threat to Russia's security due to its possible goal of weakening Russia's position. As such, Russia's implementation of the embargo can be reasoned to have a goal of decreasing the international

influence in the country and presenting resistance to the EU's actions towards Russia (Oversloot, personal communication, May 15, 2018).

Russia acting as a superpower in the global world, can therefore be viewed as another state of being that the country wanted to remain. It can be assumed, that with the implementation of the embargo, Russia intended to remain its position of superpower with demonstrating its strength and independence. Russia's statements of its desire to become self-sufficient present that the country can efficiently endure without the help of other states, especially the EU that it was highly dependent on. Furthermore, as a major state of export and political player, the country has strived to ensure its position as a dominant actor in the international sphere. Furthermore, it can be argued that both, the EU and Russia, view one another as empires (Oversloot, personal communication, May 15, 2018). Therefore, the implementation of the embargo created a possibility to demonstrate power on a potentially perceived counterplayer, whose dominance had to be derogated by presenting resistance to its actions.

Furthermore, the sanctions from the West were received as an offensive act, that Russia did not accept. It has been observed that Russia senses that the West has started to underestimate and treat Russia as an enemy, which Russia is unhappy with (Slobodchikoff, 2014). To further present that the country is not afraid of the West, the Russian troops continued to intervene in Ukraine regardless of the Western sanctions ("Russia sanctions itself", 2014). Furthermore, even though Putin was aware the embargo could create difficulties for the Russian citizens, it imposed the ban. This creates a view, that making a counter-step to the West to present the country's resistance, outweighed the possible high risk of loss.

Furthermore, an order released by Russia in 2015 commands to destroy all „agricultural produce and raw materials produced in countries that have imposed economic sanctions on Russian legal entities and individuals or have supported these sanctions, and which are banned from being imported to Russia” on the Russian border (Presidential Executive Office, 2015). The banning of the products can be evaluated to be a relatively tough move in relation to protecting the country's market. The measure can therefore be viewed as a mean to make a statement of power, reasoning it to protect the economy.

6.2.3 Making new 'friends'

Even though Russia's agri-food trade is disrupted by the EU's sanctions, as well as by the Russian own embargo, the country does not consider that to be a reason to decrease its production of agricultural products, but rather increase the production and seek new partners in trade. Furthermore, in the current game of sanctions, Russia has to relocate to different markets, such as China, in order to make up for the loss of the EU as a trading partner of agri-food products. The embargo is therefore seen as creating a possibility to increase exports to the world.

After implementing the embargo, Russia has increased to seek opportunities to increase connections with other markets, to shift from the interdependence with the EU. As already detected by the European Parliament in 2015, Russia has actively searched for opportunities for co-operation with the Eurasian Economic Union, making a shift from trading with the European Union. Russian officials have made several statements to promote their new trading possibilities that have risen from the situation of sanctions.

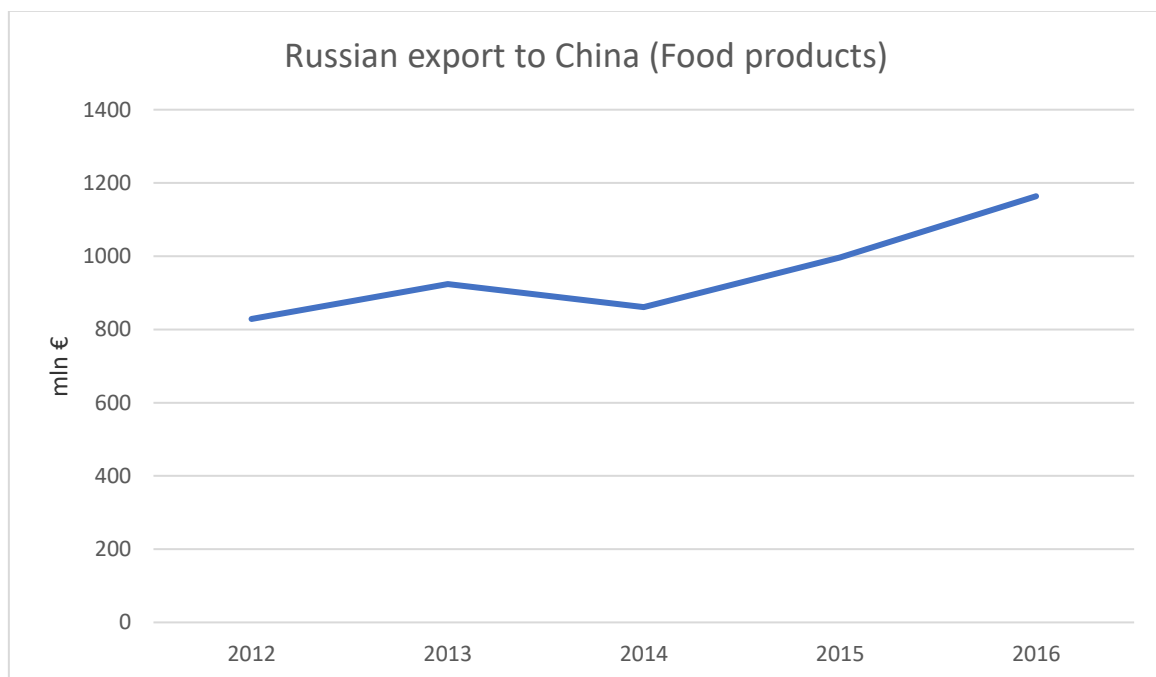


Figure 10. Russian export of food products to China by value. Data from OECD (2018)

Putin has acknowledged Russia's position of a "major Eurasian power with vast Far Eastern territories that boast significant potential" (Presidential Executive Office, 2017). Putin has therefore expressed his confidence of Russia having an

absolute advantage to “[promote] sustainable and comprehensive growth” throughout the entire territory of the Asia-Pacific region (Presidential Executive Office, 2017). Strengthening the ‘friendship’ with the Asian market is illustrated in Figure 10, which presents the rise in the increase of exports of food products to China after the year of the implementation of the embargo.

To improve its potential as an independent state without the partnership of the EU, Russia has decided to include several measures, such as „unifying the digital economy and trade rules, harmonizing national technical standards, coordinating strategies for forming high-tech markets, and creating a uniform conceptual framework for the digital space” (“Putin vows”, 2017). These measures may seem unrelated to the agricultural sector at first, yet improvements areas such as technology and digital space make the country a more attractive partner to other states internationally. Therefore, it is visible that another additional motive and achievement through Russia’s increase in its agricultural production and export is to increase connections with partners in Asia. The increase of exports to third countries can therefore be viewed as a measure to shift away from dependence with the EU and finding new partners and ‘friends’ elsewhere.

6.2.4 Weakening the bond of the EU

In addition to protecting its own economy, it can be argued that embargo intended to tighten the economies of the EU countries, sine Russia was the second largest export market of agri-food goods. As previously discussed, the negative effect was indeed apparent at first, however the EU managed to find alternative markets and create programs in order to avoid too high costs on the economies. It can also be argued, that the embargo, with weakening the economies of the individual member states, could have had a motive to create internal conflict inside the EU, weakening the bond of the Union. As confirmed by several experts, “Russia may have intended to „cause reactions by farmers and divide EU Members States” (anonymous, personal communication, May 10, 2018; Gerrits, personal communication, May 9, 2018). However, the EU has not showed to be weak and is united in creating extra programs and subsidies for the member states’ farmers. The EU, with its increasing co-operation for a common cause, has been able to remain assembled.

It cannot be affirmed whether these motives and outcomes were intended or were simply side effects of the embargo. However, if viewed through the game theory, it can be assumed that Russia may have had several additional unstated motives

and aims when implementing the embargo. With the embargo implementation, Russia had a possibility to ensure its position to be viewed as a major global power to its people, as well as the rest of the world. Furthermore, it is visible that the embargo had a potential to weaken the bond between the EU member states through tightening their economies. That, however, did not result from the situation, mainly due to the EU's relocation of markets. In addition, Russia has increased export to third countries to replace the EU, and with that decreased dependence on the EU as a trading partner. Therefore, the embargo can be considered to have been effective if viewed through Russia's eyes, since it has created a circumstance to address several motives and goals, that may have been Russia's intension.

As it appears, the unstated and stated motives appear to be correlated. Since self-sufficiency, protectionism and increase in export were stated as the main motives to implement the embargo in 2014, it is visible that the same year support for Putin also increased in the country, leading to the strengthening of the Russian community. Furthermore, the Russian capability to increase trade regardless of the situation of sanctions further declares, that Russia can present itself as a powerful state, who can find alternative ways to ensure its sufficiency and ensure the well-being of its people. In conclusion, considering the game-theoretical view of effective sanctions, that the import ban has led to several positive outcomes for Russia, and the embargo can therefore be considered effective for the country.

7 Future perspective

When viewing the future perspective of the embargo, it is rather unlikely that either party will remove their sanctions. As described by Gerrits (personal communication, May 9, 2018), the sanctions situation is in a [тупик] ‘tupic’, dead end, where neither side would back down since the counterplayer has not abided to the requirements needed for sanctions to be removed. This, however, is not likely to happen from neither side, since both parties remain certain on their standpoints. Even if the sanctions will end in the future, the likelihood of returning to the same trade practices is unlikely.

In a hypothetical case of Russia lifting the embargo, the EU may no longer be interested in exporting products to the country. After the embargo, the EU's dependence on Russia has significantly decreased. Viable factories have found new markets and the rest have died out. This means that Russia is no longer needed for survival and it is left aside when considering export markets in the future. Since it is not the size of the country that defines the consumption of food, but the amount of people, it is rather likely that the EU will have strengthened ties with other attractive markets, such as China and Bangladesh, where the number of consumers is constantly increasing. European Commission (2015) has described the shift in the demand for products by pointing out areas, where population and income are on the rise, such as India, China, South-East Asia and Africa. The global population growth and increase of incomes has led to an increase in demand for agricultural products worldwide (European Commission, 2015). Indeed, the population of Russia is high, however there are other markets evolving where the standard of living is increasing, improving the attractiveness of these markets. Therefore, as the EU is finding alternative markets to export products to, Russia may no longer be a necessary trading partner in the future. It is also likely that with the implementation of the embargo, Russia has lost trust of the EU's agri-food producers, who, once sanctions are lifted, will not consider returning to the Russian markets.

Therefore, even though the European Parliament (2015) states that it “wishes to return to a cooperative relation with Russia” once Russia makes necessary steps regarding Crimea, it is debatable whether the cooperation regarding trade would still be attractive for the EU.

As both Russia and the EU have found ways to efficiently function without the trade partnership, the situation might remain and the parties will continue to “live apart together” (Oversloot, personal communication, May 15, 2018).

8 Conclusion

This paper has presented the Russian embargo on the European Union agri-food products, which is commonly viewed to have been ineffective since the embargo has not resulted in the EU lifting their sanctions nor has it tightened the EU's economy. This study has taken a broader approach on the embargo and re-defined the effectiveness of the sanctions. The sanctions situation between Russia and the EU is as a dance between partners, making the situation observable through a game-theoretical perspective. As a result of viewing the sanctions from a game-theoretical view, it has been identified that the effectiveness of the embargo should be observed from a broader perspective instead of solely defining whether the foreign policy goal has been achieved. Through the game-theoretical perspective it can be observed, that Russia had several additional stated and unstated motives with the embargo. Therefore, even though the embargo has not resulted in the EU lifting their sanctions, it has led to additional gains, which should be considered when evaluating the effectiveness of the embargo.

Some of the stated additional goals and achievements with the embargo have defined to be self-sufficiency, protectionism and increase in exports. The embargo has also resulted in strengthening ties with third countries, strengthening the local community, raising support for the government, and imposing the power of the country on the EU and the rest of the world.

Regardless of sanctions often being viewed as an ineffective foreign policy tool, it can be assumed, that the positive effects on the coercer country make the sanctions viewed as 'effective' for Russia. Therefore, even though trade between the parties might never be restored, the additional beneficial outcomes of the embargo overshadow the loss of the EU as an important trading partner. Thus, regardless of not having reached the foreign policy goal, it can be stated that protectionism, self-sufficiency, increase in export, making new 'friends', strengthening the community, and demonstrating power have been achieved, and define the effectiveness of the embargo for the country. Therefore, the evaluation of the embargo through a game-theoretical perspective revealed, that the embargo has been effective for Russia.

Taking the positive outcomes into consideration, it is visible that it is worth for states to consider involving sanctions, rather than violent measures, as means of

attaining foreign policy goals. Even though the measure may not lead to achieving the foreign policy goal, implementing the punishment might bring several considerable benefits to the coercer. Sanctions can therefore be perceived as an effective measure in attaining international peace.

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Appendices

1 Interview Transcripts

1.1. Interview

Interviewer: Angela Breivel (further referred to as AB)

Interviewee: Max Bader (further referred to as MB), University Lecturer with expertise on Russia and Eurasia.

Interview Setting: Interview was conducted in a written format and communicated through e-mail. The response was received on 03.05.2018 at 20:53

(Beginning of the interview)

AB: As stated in the Decree of Putin, the embargo on agri-food products was imposed to "protect the national security of the Russian Federation". In addition to the official foreign policy goals of sanctions, countries often have several additional goals and motives when imposing sanctions. In your opinion, what could be Russia's additional goals with implementing the embargo on the EU?

MB: Sending a signal to those in the West who have imposed sanctions on Russia that its government will retaliate.

AB: In the game of sanctions, it is often the case that the players are not aware of the goals and motives of their counterplayer. In your opinion, does Russia take into consideration all the goals and motives of the EU in the current situation of sanctions?

MB: No reason to believe that it does not.

AB: What are the differences between the EU's and Russia's goals in the current situation of sanctions?

MB: The EU's goal is to enact a change of course on Russia's part. Russia's goal is merely to retaliate against the sanctions of the EU.

AB: What effect has the embargo had on the EU socially, politically and economically?

MB: Little to no effect. There is some discord within the EU about the desirability of extending the sanctions, but not too much. Russia's countersanctions mostly show to the EU just how much Russia has veered off the right path.

AB: Why did the EU not comply with Russia's conditions at the threat of sanctions nor show change after the implementation of the embargo?

MB: Because the EU believes in the importance of upholding its sanctions against Russia, and because have a negligible negative effect on the EU.

AB: The success of sanctions cannot solely be measured by official goals reached, since the sender country may have several motives and goals. Therefore, even though the foreign policy goals were not achieved, the sanctions game may be beneficial for the implementing country. Considering this, can the embargo be considered successful for Russia so far?

MB: No: Russia's countersanctions have not made the EU change its course in its approach to Russia.

AB: What is the future perspective of the embargo?

MB: Difficult to say, but at the moment there is no end in sight to the embargo.

1.2. Interview

Interviewer: Angela Breivel (further referred to as AB)

Interviewee: An expert in an European Union institution, responsible for bilateral international relations and health and food safety (requested to remain anonymous, further referred to as AN) [The responses reflect only the expert's personal opinion and not the views of the institution]

Interview Setting: Interview was conducted in a written format and communicated through e-mail. The response was received on 10.05.2018 at 20:50

AB: As stated in the Decree of Putin, the embargo on agri-food products was imposed to "protect the national security of the Russian Federation". In addition to the official foreign policy goals of sanctions, countries often have several additional goals and motives when imposing sanctions. In your opinion, what could be Russia's additional goals with implementing the embargo on the EU?

AN: In my view, the primary motivation of Russia in imposing the political embargo has been protectionist. In 2010 the Russian Government adopted a "food security doctrine"(more info:

<https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Security%20Doctrine%20Adopted%20Moscow%20Russian%20Federation%202-11-2010.pdf>) setting targets for self-sufficiency for certain products. While the doctrine did not define the means by which those targets would be achieved, it is obvious that the only realistic way to achieve them would be by restricting imports, in particular from the EU.

After Russia's WTO accession negotiations were concluded in 2012, the historically complicated SPS market access of EU agri-food products to Russia started facing new obstacles. Contrary to the "traditional" restrictive measures applied on individual exporters and sometimes on entire EU Member States, new EU-wide SPS restrictions, invariably disproportionate and unjustified, started being introduced (and are still in force to date). Prominent examples:

- Since March 2012 a ban on live pigs and cattle for slaughter or fattening (breeding animals excluded from the ban);
- Potatoes since July 2013 (though seed potatoes could benefit from some derogations to that ban);
- Pig meat ban since January 2014.

Therefore, the political embargo was an additional tool to achieve already established protectionist goals using the excuse that the Western sanctions had offered.

This explanation might not fully explain the whole range of banned products e.g. certain fruit that cannot be produced in Russia) but this does not change our view that the motivation is primarily protectionist.

It is also revealing that the embargo covers ware potatoes but not seed potatoes, salmon but not salmon hatchlings etc., i.e. it bans final products but not added value material required to invest in Russian national agriculture.

Finally, to prevent the resumption of EU exports of pig fat following the obligatory lifting of its SPS restrictions in order to comply with the WTO case on the ban in EU pork, Russia extended the scope of the political embargo in October 2017 to cover also that product (more info:

https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds475_e.htm). i.e. when Russia was forced by a WTO ruling to lift a protectionist ban imposed under the guise of a sanitary measure it has used the political embargo to replace it.

AB: In the game of sanctions, it is often the case that the players are not aware of the goals and motives of their counterplayer. In your opinion, does Russia take into consideration all the goals and motives of the EU in the current situation of sanctions?

AN: As analysed in my reply to question 1, my view is that Russia used the EU sanctions as an opportunity to impose protectionist measures in the framework of an already established policy. My opinion (issue beyond my expertise) is that the Russian government has a very clear understanding of the motives of the EU and other countries' sanctions against it.

AB: What are the differences between the EU's and Russia's goals in the current situation of sanctions?

AN: EU: Pressure to Russia to abide by the rules in international relations. Russia: 1. Protectionism, 2. Cause reactions by farmers and divide EU Members States

AB: What effect has the embargo had on the EU socially, politically and economically?

AN: Following an initial market disruption, for most agricultural product alternative markets were able to absorb the impact of the sanctions. Nonetheless, some products and parts of the EU with strong dependence on the Russian market are still facing difficulties. EU market support measures to the affected sectors have helped in reducing the negative impact of the embargo.

AB: Why did the EU not comply with Russia's conditions at the threat of sanctions nor show change after the implementation of the embargo?

AN: This is a question of foreign policy nature beyond my competence and experience. However, reading my response to question 1 you will understand that exports at least for certain products would not be allowed to resume that easily as the sanctions are obviously a further tool of a pre-existing policy of imports substitution. Even if the political embargo disappears it is sure that new measures under the guise of SPS measures (as before 2014) will be invented to replace it for many of the products (some are already in place see reply to question 1).

AB: The success of sanctions cannot solely be measured by official goals reached, since the sender country may have several motives and goals. Therefore, even though the foreign policy goals were not achieved, the sanctions game may be beneficial for the implementing country. Considering this, can the embargo be considered successful for Russia so far?

AN: Russian national production has achieved to get biggest share of the Russian market for many products and it will be difficult for currently embargoed countries to get back their pre-2014 market share. Nonetheless, the absence of competition leads to insufficient investment on quality negatively affecting competitiveness at international level and, as a result, it does not help Russia's goal to become an exporter for certain products. Post-2014 the average Russian citizen pays more for lower quality (and frequently falsified) food.

AB: What is the future perspective of the embargo?

AN: It is very unlikely to have a breakthrough in the near future, all, however, depend on the developments in international relations. In any case, as mentioned in my response to question 5, SPS measures are expected to be used to replace the political embargo for certain products when that will be lifted. In that case new dispute settlements at the WTO against Russia for violations of the SPS Agreement are not excluded.

1.3. Interview

Interviewer: Angela Breivel (further referred to as AB)

Interviewee: André Gerrits (further referred to as AG), Professor of International Studies and Global Politics

Interview Setting: Interview was conducted via phone call. The interview took place on the 09.05.2018 at 10:40.

[This transcript has been re-created based on the interviewer's paraphrasing of the interviewee's answers. The recording of the interview was not possible due to technical problems.]

AB: In your opinion, what could be Russia's goals with implementing the embargo on the EU?

AG: It was simply to act as countersanctions to and respond to EU's actions, to make a counterstep. The EU implemented sanctions so Russia had to reply with their embargo. So in a sense also to show power, Russia was not happy with the EU's sanctions so it replied with similar measures. So it is a zero-sum game since the embargo was implemented just as a response, to show they are not weak. It was rather a response, it would not impose those sanctions itself. The EU imposed sanctions and Russia definitely wanted to weaken the EU's bond.

AB: Is it also then to show power?

AG: Definitely.

AB: What did Russia have to lose when implementing the embargo?

AG: Probably it's own economy had the most to lose. The embargo has been more damaging to Russia than it has for the EU due to its weak economy. At the beginning Russia missed products on the market, and I go to Russia every year so it was visible. However, they caught up on it quite soon to create their own products. Indeed, local producers can now improve their own production, so it has been positive for their local agricultural sector.

AB: What do you think of the position that Russia is increasing trade with Asian markets, through that creates new bonds and through that weakens the position of the EU?

AG: It is definitely a positive byproduct but it was necessarily not the goal. So yes, Russia has been increasing its trade and Asia is a competitive market for that.

AB: Can the embargo be considered successful for Russia so far?

AG: The embargo has not been successful. Indeed, it has brought many positive effects, but it has created a "tupic" where neither side wants to back down. Russia is trying to weaken the bond of the EU and so far it is not successful.

AB: What is the future perspective of the embargo?

AG: Counter regiment will remain intact, Russia may one day take consecutions. Neither state would back down because it would be embarrassing so the future is quite unknown. The sanctions situation is now in a "tupic" as Russians would say, no side would back down and it is not successful for Russia because it hasn't brought a change

in the EU. EU has found other markets and would not back down from the sanctions, and Russia would not back down either because the EU hasn't responded as desired.

1.4. Interview

Interviewer: Angela Breivel (further referred to as AB)

Interviewee: Johannes Oversloot (further referred to as JO), Professor of Political Science

Interview Setting: Interviewee's office at the Leiden University, Leiden. The interview was conducted on 15.05.2018 at 10:00

(Upon meeting, before beginning of the recording, the interviewee has implied he is a sceptic about the theory)

(Start of Interview 00:46 of the recording)

AB: The game theory itself then, you said it is sort of not difficult to apply but you think the theory itself....

JO: It's much abused

AB: It's much abused? [...] The theory overall is much abused? Why?

JO: [...] There is a limited number of games. And people see these games each... they force reality sometimes into fitting in the frame of the game. Which isn't always you know...I've read some of the most awful game-theoretical explanations of the Yugoslavian war. [...] [laughing]

AB: But why? [...]

JO: [...] I don't think in many instances... Once the game theory was all vogue, and it pretended to be much more than it actually... well in fact appeared to be. [...] So dropped out mathematicians and physics [...], they pressed everybody would be able to do sums and modelling etc. [...] So this continuity or incongruence between, you know, the modelists and the scientists and the people that knew what they were talking about, and they never get to pick up together. It's not all chicken game, and it's not all a... and yes of course 'its all multilateral', yes. You see, so. I am rather sceptic about the applicability of. [03:24-04:51]

AB: But since the theory...I leave aside the mathematical equations and all that, but what I do follow then, since I needed to apply the theory, is the fact that the success is in the eyes of the beholder in the game, so then I evaluate whether it is to some extent beneficial

JO: The reward is not a given.[...] Game theoretical perspective, the gains are givens

AB: So the gains are already sort of defined from the beginning

JO: Yes. Which in actual fact is rather manipulative in real life very often

AB: Yes because it cannot be defined from the beginning. But that is what did I read then, that you never know the outcome of the game until the end

JO: But then again, you know, The more unsure the predictions in game theory, the less useful it is because we're looking for certainty, predictability. Once it becomes applicable with all its caviar (?) then of course it becomes less interesting.[...] It almost becomes as complicated as life itself.

[06:09-06:20]

AB: But so you do not think it's...?

JO: Probable outcome?

AB: Yes [...]

JO: In many instances, things beat you out. They get out of focus; the original actors are not actors they may seem. [...] Or other problems take front stage, or melting of ice caps or what have you.

AB: But additional goals may still arise throughout the game?

JO: Sure

AB: But so it doesn't need to be defined from the beginning in that sense.

JO: [nodding]

AB: So it is the case that there may be some additional motives that it's not communicated to the other player so to say

JO: Sure

AB: So this is my main point. And then I take several findings that have arisen from the sanction situation, and then I say that those may be those additional motives.

JO: Such as?

AB: Such as for example strengthening the community, which has risen from the situation, and so in the end to also weaken the bond between the EU countries themselves.

JO: [...] that the strategy is to..[...]

AB: That may have not been a subgoal, but it may lead to it.

JO: The enemy is always smarter. [08:34-09:16 talking about Estonia]

AB: You are skeptical about the game theory itself but do you still think that some of the characteristics of the theory apply in the Russian embargo?

JO: 'You do something, and I do something as well otherwise you know it's tit for that or two tits for two tats' [...] Of course you can make it sound like it applies. Because I've been raised the hard way and I've been defending my place in the schoolyard in a rather rough neighborhood. So, you know, this is international relations, [inaudible] like a school yard. [...] whether or not it applies or not apply, that's your A+

AB: But since I have found that in my opinion it applies so now I try to listen to a scholar on the topic as well [...]

JO: Not on the applicability of the game theory..

AB: Not in the...But you understand the theory itself so you can...

JO: Sure sure, the theory is rather...can't pretend to be on the forefront of the game-theoretical modelling [...] I'm not modest if I don't have to. I'm rather acquainted with some varieties of...try me out

AB: yes. But do you think, like I mentioned the additional goals, in your opinion Russia might have a perceived to be beneficial. Some might be unforeseen and unbeneficial. You can...of course

AB: So some of those that I mentioned, they can be intended, unintended

JO: Yes, but it is very hard to find out whether they are intended or unintended, or for what stage on they become the actual goal instead of essentially the biproduct. [...] the Ukrainian collective, it might have been essentially a biproduct, a welcomed biproduct, because you stand up for your rights, you know, not merely receive a slap in the face but making the other party suffer as well, schoolyard. But it might also rally your own troops so to speak, create a collective. Because if you have an enemy, you create a 'us' 'we'. yes, because that's the game NATO was playing all along. Of course, It is very hard [...] to define 'us'. To really know or to define what's what even if its intended, unintended, or whether it becomes from unintended but welcomed into the actual purpose of the situation of the game, tits for two tats or three or six or..[...] this is very often hard.

AB: So that's why this would actually be difficult to apply because...

JO: [...], the way you stylize it is very important. And you cannot... there is no objective observer or someone in the know who knows it all

AB: Who knows if this was the goal from the beginning or not...

JO: And of course the game of the 'we' and the 'you' and the creating of 'you' and the creating of 'we' in the good all fashion as well. Of course, you know, NATO gets in the groove again and Russia also knows again where it stands and defines itself. That's all true. But when it all started and who had it in mind. [...] kind of mechanism might be set in motion in which everyone behaves accordingly. So all is defined in the terms of 'we' and the 'us' and what is beneficial to our group [...] It's us and them. But who started it and who had what intentions... I don't think that Bush wanted to make an enemy out of Russia when it decided to put the embargo. But it was certainly foreseeable. It was not a sure outcome but a very likely outcome. And once it's been set in motion, people behave accordingly. [...] so you get a hardening of positions as well. But it's very hard, you know, I would not venture to say who started out with what... I don't know. [17:37-18:27] apart from that, so there has been a hardening of positions and of course when Putin [launched] out against Ukraine, in Brussels they rejoiced. Because you know 'hey, now we have a purpose for this organization, which we didn't' [...] they didn't know what they worked for, sense of purpose. But now again. We're back in the groove. [...] that puts us at ease. So people are very happy. It's accommodating.

AB: So there's something to fight for.

JO: It's the 'us' and the 'we' again. And you know, [...] the military expenditure goes up, it's 'hooray'. We're important again

AB: So the fact that...

JO: So this is the objective truth. [...] So they serve one-another in this respect... good old-fashioned way. All those outdated films about 'bad old Russia' they can be put... taken from the shelf again and... So we're fine. [joking about Estonia]

AB: But do you think that Russia knows, what the EU's motives are and what the EU is fighting for?

JO: [...] From Moscow's perspective NATO is the military organization of the EU. And the EU is behaved like an empire. You know, we have our doubts about the [inaudible] and its members, with populism rising against Brussels etc etc, from Moscow's perspective the EU is [...] the empire. An Empire. Like Russia itself is an empire, it is. Which is. We perceive Russia as an empire. [...] But from Moscow's perspective, the EU/NATO always represents an empire, it behaves like an empire. Because it comes out... [it approaches, it ventures out. So the EU is not a peace-loving, rope of... no its an empire. And it has its own interests, which it commands to all the people as being universal. And in fact they do behave... Montenegro is one example. Because we have to take him in. [...] So it's not nation states. [...] the EU [...] behaves like an empire. Like Yavlinsky once said about the enlargement of NATO, which is of course a 'peace-loving organization which takes in peace-loving countries to organize peace and maintain it' you see. [describes Yavlinski] he was a reformist and seemed to take democracy more seriously than most, he was not a fierce or outspoken nationalist of some source, he was not. He did not want to side with the communists. [...] I'm a pessimist. And pessimists are more often right than optimists. Or rather I am a Russian optimist, as you know, Russian pessimism says 'it can't get worse' and Russian optimism says 'it can'. You know that one?

AB: No I don't know [laughing]

JO: So I'm a Russian optimist [inaudible] [...] and at the time, when the first group of new NATO countries were welcomed, he said, well... [...] so I'm now quoting Yavlinski, who supposedly was quoting, [...] as follows: 'if it grumbles like a tank, if it shoots like a tank [...] although it has been painted rose, in a rosy color, it's still a tank'. And it was the most positive thing he could find about NATO enlargement already. [...] you cannot sell it as you know, peaceful enlargement. [...] and then again, George Bush went on. [...] and now you can't get back. It's, you know, it's [horridly] taking in countries [...] so it has a mechanism on its own. Which is odd, since you know euro populism and skepticism in

many EU countries would suggest that the EU centre, that Brussels would be less interested. [...] Especially you know extensively, utterly corrupt odd places like we sometimes have them welcomed [...] so it comes at great cost, you know, I'm not...so it has kinds of, perhaps, unintuitive consequences laying there. [...]

AB: So you think the EU has another goal from...?

JO: No [...] the people, the 'Junckers' they live in their own sphere. [...]

AB: But they are trying to...

JO: No they're not trying to

AB: ...stop Russia from the Ukraine intervention. Taking sanctions for example, that's what I'm talking about

JO: [...] no

AB: It's just to show something, rather than...

JO: I don't know what the real intensions are. But, you know, I am very skeptical... you know Meresheme's article on the [...] causes of the Ukrainian conflict? [spelling and describing] and you know how it started? The crisis in Ukraine?

AB: Pro Russian and Russian separatists and..

JO: At the time there was President called...

AB: Yanukovych

JO: Sure. Yanukovych. Yanukovych had been [...] in the process of negotiating terms for a association treatment with the EU. Yanukovych was a crook. And a thief and what have you during those...and he was the President of Ukraine. And of course, all evil things could be said, and they were all true. But he only became...Yanukovych entertained the relations with the EU and was holding out the promise of the realization of the treaty until he changed sides because he had acute financial problem of a couple of billion [...]

AB: [...]

JO: [...] and Putin said [...] 'if these are the issues, if that's a problem, I'll help you out. we still have some billions. Coming?' [...] and then Yanukovych changed sides. And then we in the West became scolded at Yanukovych because he was corrupt and so, but he was corrupt and he was a crook for all those years. But he was on our side, he was our crook. And that's what we did. I know a bit about Ukraine. I visited the place, it was no one, nobody, nobody was interested, on the early nineties [...] nobody was interested in Ukraine. People in the US couldn't care less. Try again getting an article published... [...] and then again, people are all about it. Politics stood up [...] so he was our crook, now another crook. For as long as he ventured out [...] It has become an either or, and how to distinguish a friend or foe. Which is fine, which makes life clearer, to have a foe an enemy if you think you can cope with [...] we know what kind of enemy Russia is. So everyone is happy now

AB: But Russia used to not be the enemy, Russia used to be cooperation partner until all those cold conflicts that they became a part of, because even in their foreign policy concept it states how cooperation with the EU is very important and how their values derive together and..

JO: Sure, sure. Everybody is always...'we're all democracies and even North-Korea is a democracy' and..[...]

AB: So you don't think anything has actually changed after conflicts, it has always just been..

JO: No no, I'm not changing in the attitude and the actual context and prospects and... Of course [...] but it's also you know, people are happy you know, in a way, [...] we're all together now, we know the enemy, we once thought [...] and of course 'we're being respected because we're being feared'. [...] [talking about Soviet times] they deprive in us being fearful. That we, what we did and encountered on, always had to take into account

the Russians, the soviets who doing all the thinking [...] so they're being respected by being feared, you know, fear and respect are mop terms, of course, for a reason [...] and in the nineties, nobody cared. Life expectancy dropped [...] nobody took them seriously anymore. [...] they may not be in the forefront of nanotechnology as they try to, but they have a new set of wings and military airplanes etc etc. They can deliver a bomb or a two in Syria

AB: And they are a global power..

JO: [...] in a multipower world. And you know, Putin can make it clear. They cannot [mess] with us. [...]

AB: And does the EU take it into consideration actually, and actually acknowledged their power and backed down a bit in a sense of...

JO: No. Who takes seriously that, as far as the embargo is concerned, you don't think that Brussels and nation states really think that they can enforce to withdraw of Russia from the Crimea because we don't sell them flowers anymore? [...] of course not.

AB: Because Russia just responds and that's it

JO: [...] It will not, it cannot, in no...whomever in the future might become president or dominate the state Duma, they cannot hand in, retreat it, it's impossible. All kinds of things might happen. That Ukraine is no longer Ukraine. [...]

AB: So was it too soft measure to take in a sense?

JO: Somebody had to do something. You know. 'we cannot accept that!' [...] the intension is [...] will we stop with our embargo or sanctions if..you know that will never happen. [...]

AB: So now that's just how it is and that's how it's going to be

JO: [...] It might feature out, you know, a common enemy might arise, whatever, earthquake some place

AB: So anything but the actual sanctions themselves creating a change

JO: Can you [...] imagine that Moscow will return and stop in Crimea overall. Can you?

AB: No

JO: Okay. But that's the condition, the only condition, according to formalities will end the sanctions

AB: But that's just my...that's just how I view it but you never know how they, what they see as a better strategy so to say for them.

JO: [...] They're smarter in Brussels than you and I know. [...] it's the kind of mechanism they find themselves in, it's what they stated. [...] Do you see another way of ending it? [...]

AB: So there's no...

JO: [...] I don't see Brussels making a statement as follows that 'you know, we have come to the conclusion that sanctions have of course never helped return the Ukraine so we stop our sanctions policies' [...]

AB: No, neither side will do that [...]

JO: [...] So other common interests may arise, or what have you, or beat us out or...well we'll stop the sanctions because everybody is so much...in for imports and exports anyway or what have you [...]

AB: [...] but this might not happen within any upcoming years

JO: They have to be renewed every two years or what is it [...]

AB: Every year they have to be..

JO: Oh every year, I thought it's ever two years [...]

AB: Extend it every year [...]

JO: Or we change the list of stuff

AB: [...]

JO: [...] And we're not in it to hurt the Russian people. [...] they will find a way

AB: [...] So it's not even a measure of what it has been stated to be a measure of, it's not actually for the foreign policy, it's more just, it's there

JO: [...]

AB: The EU is handling it pretty well with the alternative markets and everything so actually by now the embargo doesn't even have a high effect anymore. As it did at first. It dropped but now EU is finding ways so now nothing is being affected anyways.

JO: In my head, in a way, also, I don't know, in my head, first unintended impacts in making for more permanent fisher between Russia and rest of Europe.

AB: What do you mean by that?

JO: Because we don't suffer as much as we did from it etc and vice versa. Which means that we can happily live apart together [...] if we supposedly were living in the same European house, supposedly, common European house as it was called in the nineties. It might become living apart together kind of

AB: So for example even if the embargo might be removed..[...]

JO: [...] imports and exports are being relocated etc [...] and friends are sought and found elsewhere, it might become intentionally you know [...]

AB: It might become a way of living for both

JO: Russia is now forced to accommodate, sorry, to 'befriend' to 'help out' Asians. Is that in our interest?

AB: [...] well we are also finding other friends so to say

JO: So it's very hard. But it's very hard to fit all of this in one...

[student entering class]

JO:...in one game theoretical model [...] but I might be wrong.

[informal conversation]

AB: Thank you. It helped me really to extend my mind about this topic

[end of recording, new recording (verbal consent) at 57:25]

AB: But thank you. But so you do not agree to sign the form

JO: But we don't have to

AB: But you still agree for me to use any information..

JO: [...] This is a student of mine, we've never signed things, have we?

[student who had entered class earlier]: No

JO: We don't do that

AB: But I can still [...] use your opinion on it. Or your name to state what you think as a topic...as you know about the topic

JO: What's wrong with the good old thing of trusting people

AB: If it's an academic paper, I guess they want us to give why, what reasons that I can state that. If I don't have the accreditation myself to state that, and if my opinion is backed up by your opinion, then it is understandable I think. [...] then they want to know, who says that besides you who thinks

[student speaking]

JO: Tell your instructor, that I didn't think it's necessary, I trusted you enough. I don't do that.

AB: But if your name appears in the paper, you agree with it.

JO: Of course, of course, of course.

[...]

2 Forms

Informed Consent Form

Informed Consent Form

- 1) Research Project Title: Viewed through the game theory, has Russia's embargo on the European Union agri-food products been effective?
- 2) Project Description: The research concentrates on the theory of sanctions and will apply it to the case of the Russian embargo on the EU, applying the game-theoretic analysis of sanctions and using the agricultural sector as the central aspect. The purpose of the research is to present whether Russia's embargo on agri-food goods from the EU has fulfilled its purpose so far.

If you agree to take part in this study please read the following statement and sign this form.

I can confirm that I have read and understood the description and aims of this research. The researcher has answered all the questions that I had to my satisfaction.

I agree to the use of the information I have provided during my interview with the researcher.

I understand that all information will be treated in the strictest confidence. My name will not be used in the study unless I give permission for it.

I consent to take part in the research on the basis of the guarantees outlined above.

Signed: Max Bader



Date: 04-05-2018

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Signed: A. Gerrits Date: 16-5-18

A handwritten signature in blue ink, appearing to be 'A. Gerrits', written over a horizontal line.

Student Ethics Form

European Studies Student Ethics Form

Your name: Angela Breivel

Supervisor: Ms. Michaela Anghel

Instructions/checklist

Before completing this form you should read the APA Ethics Code (<http://www.apa.org/ethics/code/index.aspx>). If you are planning research with human subjects you should also look at the sample consent form available in the Final Project and Dissertation Guide.

- a. ☐ Read section 3 that your supervisor will have to sign. Make sure that you cover all these issues in section 1.
- b. ☐ Complete sections 1 and, if you are using human subjects, section 2, of this form, and sign it.
- c. ☐ Ask your project supervisor to read these sections (and the draft consent form if you have one) and sign the form.
- d. ☐ Append this signed form as an appendix to your dissertation.

Section 1. Project Outline (to be completed by student)

(i) **Title of Project:** Viewed through the game theory, has Russia's embargo on the European Union agri-food products been effective?

(ii) **Aims of project:** The research concentrates on the theory of sanctions and will apply it to the case of the Russian embargo on the EU, applying the game-theoretic analysis of sanctions and using the agricultural sector as the central aspect. The purpose of the research is to present whether Russia's embargo on agri-food goods from the EU has fulfilled its purpose so far.

(iii) **Will you involve other people in your project – e.g. via formal or informal interviews, group discussions, questionnaires, internet surveys etc. (Note: if you are using data that has already been collected by another researcher – e.g. recordings or transcripts of conversations given to you by your supervisor, you should answer 'NO' to this question.)**

YES

Section 2 Complete this section only if you answered YES to question (iii) above.

(i) **What will the participants have to do? (v. brief outline of procedure):**

The participants will be provided with a set of questions that they are asked to answer. Their answers are recorded and the data is used for the research paper after having signed the consent form.

(ii) What sort of people will the participants be and how will they be recruited?

The participants are scholars and researchers on the topic, they are contacted through phone and e-mail.

(iii) What sort stimuli or materials will your participants be exposed to, tick the appropriate boxes and then state what they are in the space below?

Questionnaires[☒]; Pictures[☐]; Sounds [☐]; Words[☒]; Other[☐].

The respondents will be exposed to questions in an interview format.

(iv) Consent: Informed consent must be obtained for all participants before they take part in your project. Either verbally or by means of an informed consent form you should state what participants will be doing, drawing attention to anything they could conceivably object to subsequently. You should also state how they can withdraw from the study at any time and the measures you are taking to ensure the confidentiality of data. A standard informed consent form is available in the Dissertation Manual.

(vi) What procedures will you follow in order to guarantee the confidentiality of participants' data? Personal data (name, addresses etc.) should not be stored in such a way that they can be associated with the participant's data.

The consent of participants is asked in order to ensure that I am allowed to use information they have provided and to know whether they allow me to use their name in the research. The names of participants will not be publicized unless the participant has agreed to it, no address or other personal information will be made available in the research.

Student's signature: Ch. Boeivel date: 16/05/2018

Supervisor's signature (if satisfied with the proposed procedures): L. K. J. date: 16/05/2018