

THE CLOUD OF SANCTIONS

CONTENDING U.S.-RUSSIAN APPROACHES & STRATEGIC IMPLICATIONS

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Abstract

Economic sanctions have been the defining feature of the relationship between Russia and the U.S. / EU since the 2014 Ukraine crisis, and both Moscow and Washington appear to accept that sanctions will remain in place indefinitely. This persistence of sanctions presents a paradox: Western policy makers have repeatedly increased the breadth and depth of these sanctions, despite little evidence that the sanctions have ‘worked’ to achieve their explicit and tangible objectives. This paper examines the nature and origin of this paradox using a multi-dimensional examination of Russian and US actions and discourse since the first imposition of Ukraine-related sanctions on Russia in March 2014. This analysis exposes fundamental differences over how the two sides perceive the appropriateness and strategic context of these sanctions, which reflect a basic difference in worldviews between Moscow and Washington. These contending worldviews potentially compound burdens of uncertainty and costly signaling in sanctions between the U.S. and Russia, which also introduces cross-domain risks that can defy efforts to fine-tune the imposition of costs. If not redressed, this dynamic can derail efforts at strategic reengagement, if not inadvertently elevate prospects for dangerous escalation.

Keywords:

sanctions; Russia; US; EU; discourse.

With the sweeping political change ushered in by the 2020 U.S. presidential elections, as well as sobering death tolls and rollouts of vaccines attendant to COVID-19, come expectations of new beginnings in America’s contemporary foreign relations with Russia. Despite internal divisions over how to strike a pragmatic balance between power and principle in

dealing with Russia, the new Biden administration is sending clear signals of a fundamental corrective to Donald Trump’s idiosyncratic and transactional approach, with the reinvigoration of diplomacy at the crux of restoring U.S. global leadership. However, one area of conspicuous continuity amid this effort to “reimagine” America’s strategic posture is the

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prominence of economic sanctions directed against Russia.

The prevailing view across Western and Russian strategic communities at the onset of 2021 is that sanctions will remain a fixture in the U.S./EU relationship with Russia. Prior to assuming office, former Vice President Biden made it clear that he supports bipartisan sentiments in the U.S. Congress for tightening sanctions on the Russian ruling elite as part of a “cost imposition strategy.” The objectives of this strategy are to change Russian policy: to disrupt and deter out-of-bounds cyber-attacks on American institutions, to pressure the cessation of Russia’s involvement in outstanding conflicts, and to protest and curb internal human rights abuses. In response to the poisoning and jailing of Russian opposition leader Alexei Navalny, President Biden moved swiftly to impose a new round of sanctions targeted against Russian senior officials, businesses, and research institutes, expanding current sanctions to include tighter export restrictions on items used for biological agent and chemical production and broadening visa restrictions. The Administration subsequently acted on intelligence that Moscow orchestrated the SolarWinds hack and intervened in the U.S. electoral process with additional sanctions aimed at making Russia “pay a price” for its interference, via a series of sanctions banning U.S. financial institutions from buying Russian government debt in bond auctions, expelling 10 diplomats, and blocking the U.S. financial transactions of 40 companies and individuals¹. Accordingly, discussions in Washington turn on not whether but to what extent sanctions

will persist in ongoing relations with Moscow [Bellinger et al. 2020; Biden, Carpenter 2018].

The EU, too, not only has consistently extended sanctions on Russia, but also coordinated additional restrictions in response to the poisoning of Navalny as part of a new human rights sanctions program. Touted as a “demonstration of transatlantic unity,” the U.S. and EU broadly agree on the need to continue exerting pressure on Moscow through economic sanctions, even if they do not always agree on the targets or form that these sanctions should take.

Not surprisingly, there is a pall of resignation across ruling circles in Moscow for having to indefinitely endure the imposition of Western sanctions. New legislation underscores widespread political support for the Kremlin’s discretion at introducing counter-sanctions, as evidenced by the augmented travel ban imposed on European dignitaries following the EU’s response to Navalny’s poisoning and reciprocal retaliation to Biden’s punitive measures². In short, sanctions are alive and thrive as leaderships grope for new footing in the protracted great power competition that is expected to define U.S./EU-Russian relations for the foreseeable future.

Notwithstanding this international political consensus, there remains a curious paradox between the escalation of sanctions and their ineffectiveness at achieving explicit and tangible objectives. Despite the rise in frequency and intensity, Western sanctions on Russia have failed repeatedly to secure Russia’s formal compliance with explicit aims, such as restoring Ukraine’s sovereignty over Crimea, fully implementing the Minsk

¹ The White House (2021, April 15). “FACT SHEET: Imposing Costs for Harmful Foreign Activities by the Russian Government” [Press Release]. Available at: <https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/15/fact-sheet-imposing-costs-for-harmful-foreign-activities-by-the-russian-government> [accessed: 10/06/2021]; Atwood K. (2020). Biden Vows to Impose ‘Costs’ for Russian Aggression When he Becomes President. CNN Politics (December 18, 2020). Available at: <https://www.cnn.com/2020/12/18/politics/biden-russia-aggression-costs/index.html> (accessed: 10.06.2021).

² Frolov V. No Longer ‘Ours’: With a Biden White House the Kremlin is Facing a Tough Reality. The Moscow Times. November 12, 2020; Federal law of the Russian Federation. About corrective actions (counteraction) on unfriendly actions of the United States of America and other foreign states. June 4, 2018. Available at: <https://cis-legislation.com/document.fwx?rgn=107003> [accessed 10/06/2021]; Заявление МИД России об ответных мерах в связи с враждебными действиями США. 16.04.21. URL: https://www.mid.ru/ru/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content/id/4689067 (accessed: 10.06.2021).

accords, admitting guilt in poisoning attacks, withdrawing support for the Assad regime, refraining from election meddling, and thwarting construction of the Nord Stream II pipeline. Prior to the COVID-19 pandemic, the volume of gas exports to Europe steadily increased in the face of targeted sanctions on the Russian energy sector. Since then, the prospects for new secondary sanctions – which historically hit European firms harder than American ones [Timofeev 2019] and stand to take effect when nearly 90% of the pipeline has been constructed – have excited transatlantic dissension over energy security and burden-sharing in standing up to Russia³. Similarly, Moscow’s “reciprocal” ban on food imports from the U.S., EU, Norway, Canada, and Australia, as well as attempts at monetary/trade diversification and at developing domestic or Chinese sources for certain critical technologies, have yielded paltry strategic results. A combination of ad hoc exemptions to the embargo on European agricultural imports, Belarus’ emergence as a willing re-exporter of banned European products to Russia, Russia’s restricted trade footprint and dependence on Western financial systems, the difficulties of locating substitutes for key Western technologies, and the declining purchasing power of Russian consumers have consistently foiled such countermeasures. Moscow also has not emerged unscathed, with sanctions stunting domestic economic growth but significantly undermining the profitability of targeted firms⁴. The Kremlin also has failed to drive an effective political wedge among

Western partners with different stakes and levels of hostility towards trade with Russia.

At the same time, there is mutual complacency about the perpetuation of the perverse state of reciprocal sanctions with the unfolding of long-term strategic competition between Russia and the West. It is widely accepted among Western scholars and policy experts that sanctions are the “least bad option” to protest Moscow’s malign behavior. The escalating intensity of targeted sanctions is regarded as a low-cost approach for demonstrating resolve to foreign and domestic audiences and for escalating pressure to punish Moscow’s subversive behavior at home and abroad, irrespective of the effectiveness at reversing or deterring the Kremlin’s offensives [O’Toole, Fried 2021]. Similarly, Russian officials dismiss the impact of sanctions independent of the shocks imposed by oil price volatility and the pandemic, while trumpeting the resilience of the Russian political economic system. They are strategically emboldened by the combination of the West’s general restraint at leveling stringent “blocking sanctions,” and the country’s seeming success at blunting the impact via import substitution and “de-problematizing” sanctions to the Russian public [Timofeev 2020]. At the crux of respective postures are presumptions that the sides are either deadlocked with conflicting strategies pursued for domestic political purposes, or that the respective sender needs to take more forceful action to convince the other ultimately to back down. All parties seem confident that they can calibrate sanctions and countermeasures to manage

³ Buchanan P. (2021). Why Putin’s Pipeline is Welcome in Germany. *Real Clear Politics*. March 26, 2021. Available at: https://www.realclearpolitics.com/articles/2021/03/26/why_putins_pipeline_is_welcome_in_germany_145482.html (accessed 10.06.2021). The EU went as far as to enact a law prohibiting EU businesses from complying with American-enforced secondary sanctions. See European Commission. June 6, 2018. Blocking statute: Protecting EU operators, reinforcing European strategic autonomy [web page]. Available at: https://ec.europa.eu/info/business-economy-euro/banking-and-finance/international-relations/blocking-statute_en (accessed 10.06.2020).

⁴ One estimate is that Western sanctions have reduced economic growth by .2% per annum from 2014–2018. IMF, *Russian Federation 2019 Article IV Consultation-Press Release*. August 2019. Available at: <https://www.imf.org/en/Publications/CR/Issues/2019/08/01/Russian-Federation-2019-Article-IV-Consultation-Press-Release-Staff-Report-48549> (accessed: 10.06.2021). Similarly, the ruble initially fell by 2% against the U.S. dollar following the April 2021 round of U.S. sanctions targeting Russian sovereign debt. Russian Markets Shrug Off New Sanctions. *The Moscow Times*. April 16, 2021. Available at: <https://www.themoscowtimes.com/2021/04/16/russian-markets-shrug-off-new-sanctions-a73621> (accessed 15.06.2021).

the political fallout of sustained sanctions, while simultaneously charting a new course to redress mutual and “existential” challenges presented by direct military-military incidents, climate change, pandemics, and the proliferation of dangerous nuclear and emerging technologies.

This paradoxical situation raises several questions at the nub of contemporary great power statecraft. Do Western and Russian leaderships view the strategic predicament in similar terms, prone to reciprocate with carefully tailored sanctions that mirror each other in size, if not in form? Accordingly, is the perverse perpetuation of unsuccessful sanctions the product of uncertainty and the inability of the states to communicate coherent signals and to impose effective costs on each other? In addition, are the U.S./EU and Russia socialized to accept mutually targeted sanctions as “low cost-low risk,” either bound or isolated from other domains of the strategic relationship? If not, what are the strategic implications?

This article systematically probes these questions by offering a preliminary examination of Russia’s approach to sanctions. Applying both text-mining and events data analytical techniques to illuminate trends in Russian discourse and posture on sanctions, we discern that neither deadlock nor uncertainty are the likely prime reasons for the perpetuation of a “high incidence-low effectiveness” gap in U.S.-Russian sanctions. Rather than pursuing “reciprocal sanctions” or simply being satisfied with domestic efforts to mitigate the impact of Western trade restrictions, Moscow is prone to respond to Western economic sanctions by escalating broader forms of coercion across different policy areas. Furthermore, both sides appear to be “worlds apart” in their understandings of the meaning, objectives, and legitimacy of sanctions-related behavior. There also are fundamental differences that pertain to the distinction between sanctions as a substitute versus instrument of warfare. Together, Russia’s orthogonal posture (meaning a cross-domain rather than reciprocal response) and different worldview present challenges to strategic signaling and core assumptions in the traditional Western bar-

gaining model. This pre-analytical assessment of the contours of Russia’s statecraft is suggestive of new directions for future empirical research and theory development on the strategic dimensions to the threat and imposition of sanctions in the context of contemporary great power competition.

1

In the canonical Western literature, sanctions constitute instruments of statecraft aimed at withholding economic and financial exchange to advance foreign policy objectives, broadly or narrowly defined. Typically, states craft sanctions as a punitive measure, aimed at changing the target state’s behavior by imposing sufficient pain, so that the costs of compliance with the sanctioning state’s demands outweigh the benefits of resistance, while presenting a cost-effective option for the sender. Smart sanctions are a subset designed to hurt elites and key supporters of the targeted regime, while imposing minimal hardship on the sanctioned country’s mass public. More recently, scholars and policymakers have embraced a coercive perspective, treating episodes as continuous and focusing on the efficacy of sanctions threats and anticipated costs for both the sender and target. By altering the potential costs for targeted supporters, the argument runs, these supporters will pressure the targeted government into acquiescing or reaching a negotiated settlement before the sanctions are fully imposed by the sender [Baldwin 2020; Drezner 2018; Morgan et al. 2014].

Sanctions can serve multiple objectives for a sender state. They can be employed as a signal to compel or deter a target’s future action; to send a message to underscore discontent or the importance of an international norm; to physically restrain or punish a target’s current behavior; or to force a target’s regime change. Sanction deployment strategies come in different forms, including threats of leveling comprehensive punishment or the application of gradual or tailored pressure on a target, or the imposition of direct penalties on home-based firms or extra-territorial partners with commercial connections to a target. As such, sanctions can be directed at enemies and allies

alike, and they often inflict costs on the domestic constituencies of the sending state. In this regard, “success” relates to the attainment of specific objectives associated with respective threats or punishment; “impact” pertains to observable political and economic costs that the sanctions impose on the target. Accordingly, sanctions can carry grave impact for a target but still fail to secure the desired result. Similarly, they can fail as threats if the sender must follow through with imposition [Connolly 2018]. The prevailing research finds that success does not come easy, and that sanctions are most successful when formulated as a symbolic gesture or as a threat to deter or compel a target, as opposed to a punitive measure for imposing material punishment, restraint, regime change, or new international norms [Drezner 2003; Lektzian, Patterson 2015; Morgan et al. 2014].

Ultimately, sanctions are a strategic affair. The comparative utility of alternative forms and outcomes are shaped by the interaction of senders, targets, and third parties that possess asymmetric power, information, and expectations. The challenge rests with navigating the uncertainty of international politics to convey resolve and demonstrate credibility such that the weak appear to be strong and those with incentives to misrepresent will be encouraged to follow through on their threats. Success, therefore, turns on the ability of a sender to issue clear signals that would impose sufficient costs on a target that only a committed actor would be prepared to carry out [Yarhi-Milo et al. 2018]. The mainstream literature tells us that the most propitious conditions for sanctions relate to when they are imposed multilaterally for discrete ends; targeted to affect those with influence on target decision making; calculated as proportionate to the stakes at hand; issued by democratic regimes that are sensitive to audience costs, and imposed on target states that value an exchange; are satisfied with the *status quo*; and lack capacity to pass along costs to broad societal elements [Ang, Peksen 2007; Connolly 2018; Drezner 2018; Hart 2000]. By extension, the efficacy of sanction threats rests on the target state anticipating that the costs of sanctions will out-

weigh the benefits of current policies. Accordingly, the target must perceive the sanctions to be specific, credible, and difficult to offset [Morgan et al. 2020]. The imposition or threats of sanctions are prone to fail under circumstances that either limit the capacity of a sender to send credible signals that it will follow through on its threats, dampen or manipulate the pain the sender can impose on the target, or that doom the parties to deadlock because national interests do not overlap. Consequently, the seemingly perverse perpetuation or escalation of ineffective sanctions rationally results from efforts by respective parties that struggle with issuing credible threats, imposing sufficient costs, reconciling high audience costs with low sunk costs associated with imposing economic restrictions, or breaking free from irreconcilable domestic political interests [Lektzian, Sprechler 2007].

At the crux of this classic bargaining perspective on sanctions are three critical assumptions. Firstly, actors are treated as rational; senders and targets calculate costs, benefits, and probabilities in respective decisions to impose and comply with sanctions. Those imposing sanctions who can effectively signal or impose greater punishment are more likely to have their demands accepted by a target. Secondly, both senders and targets are assumed to share common conceptions of costs and benefits. Although preference hierarchies may vary and sanctions can affect groups differently within a target state (necessitating tailored applications), there is a presumption that sender and target states share a common appreciation that the greater the pain incurred by influential groups within the target state, the more likely the target will seek relief through compliance. Sanctions work because they impose significant costs on politically relevant stakeholders that lead them to modify the behavior of the target; they fail when the link between economic costs and political influence is disrupted [Drezner 2018]. Third, threats of sanctions issued by senders are presumed to be received as intended by targets. This means that perceptions of audience and sunk costs are assumed to be homogenous and appreciated by senders and targets alike. As a result, the cred-

ibility of the sending state's commitment and resolve to impose sanctions rests with the clarity, coherence, and intensity with which the sender can convey costly signals [Yarhi-Milo et al. 2018].

Notwithstanding the prevalence within Western discourse of this bargaining approach to sanctions as threats or punishment, the traditional perspective is analytically incomplete and empirically problematic at explicating the continuation of disruptive but unsuccessful strategic interactions involving sanctions. At the crux of this strategic model is that senders and targets weigh the costs and benefits of threatening or imposing sanctions in light of anticipated actions by the other party. Yet, there is little evidence to demonstrate that either is empathetic or understands how the other calculates its expected utility. This is especially problematic for assessing the strategic dimensions to sanctions among great power rivals, where power and domestic structural relations vary across multiple domains, and there is a paucity of data and analysis tailored to understanding respective motivations, modalities, and counter-responses [Morgan 2015].

At base, costly signals are in the eyes of the beholder; those sent are not necessarily those received by a target. This results from the fact that the signals sent by sanctions create two interrelated streams of communications: one over the sender's demands and their legitimacy, and the other over the costs that each side is willing and capable of enduring. Here the clarity of communication is not the only problem at the root of signaling effective sanction threats. How signals are received can be as much a function of how aligned a target is at processing them, cognitively or politically [Jervis 2017]. For example, different time-horizons and asymmetries in prior understandings concerning the legitimacy and efficacy of sanctions may lead targets to draw very different conclusions about the credibility of threats or the meaning of specific actions, irrespective of a sender's sincerity at conveying threats or bluntness at incurring or imposing costs. Such systematic biases in information processing and assessment of the legitimacy of sanctions generate sender-receiver

gaps, notwithstanding common evaluations of material costs and benefits. Both senders and targets also can incur sunk costs and confront domestically tied hands that lock in mind-sets and policies, offsetting the marginal significance of diplomatic communication [Yarhi-Milo et al. 2018]. Either way, a target's assessment of the objectives of a rival's sanctions and calculation of the costs of noncompliance can differ from those assumed by the sender. This can drive the parties either to perpetuate a negative frame for resolving other mutual interests, or to default to dangerous escalation of sanctions and counter-sanctions activities that each would deem appropriate but otherwise prefer to avoid.

In addition, the effects of signals and punishment conveyed by sanctions are empirically difficult to identify. The traditional model of strategic interaction looks for reciprocal cause and effect relationships, with both the threats and response readily discernable to both the direct parties involved and third-party observers. However, the extant literature on international relations is marred by both incomplete data on coercive behavior and a parochial preoccupation with measuring success from observable binary, action-reaction responses to economic sanctions. This is problematic on several accounts. Firstly, the data available typically measure sanctions threats, imposition, and effects over years rather than weeks or months as assessed by practitioners. This makes it difficult to probe for the discrete effects of the cycles of escalation-response that can occur during protracted sanctions episodes, or to capture the range of variation in behavior among relevant sets of sub-national actors. Secondly, the signals associated with sanctions may be implicit, aimed at bolstering reputations or resonating with specific domestic stakeholders, and thus reflected more readily by an actor's strategic framework and general discourse than by its discrete actions. Thirdly, sanctions and their responses do not occur in a strategic vacuum, but work in concert with other dimensions to foreign and domestic policies [Sisson et al. 2020; Yarhi-Milo et al. 2018]. Fourthly, it is possible for states to respond asymmetrically, not only

reciprocally, to threats or the imposition of sanctions. Asymmetrical responses can take the form of diversifying trade ties; manipulating public support for the regime (“rally around the flag” effect); insulating targeted sectors and individuals from imposed costs; and/or bolstering the resilience of the national economy through import substitution, currency manipulation, and stimulation of domestic innovation [Connolly 2018]. Moreover, a target may choose to countersanctions by taking concerted action in other foreign policy domains, striking out against a sender’s interest on different issues or otherwise escalating pressure on the sender on another plane. Such orthogonal behavior is especially difficult to uncover and can be obfuscated by a sender’s myopic attention to the target’s expected behavior in a single domain. Nonetheless, this reactive, asymmetrical, cross-domain response may not only play to the different comparative strengths of the rivals; they may also defy mutual efforts to compartmentalize sanctions in order to avoid stoking an inadvertent and risky spiral of hostilities.

2

As discerned from the Western scholarship reviewed above, the persistence of U.S. sanctions on Russia rests on the assumption that both states assess sanctions based on calculations of costs, benefits, credibility, and uncertainty. The lack of tangible evidence of Russia’s direct compliance with Western demands is suggestive of the need for Washington to be prepared to incur additional costs (e.g., audience, reputational, sunk) to bolster the credibility of its efforts, as well as to further refine the targets of sanctions to calibrate the pressure. As summed up by one prominent American former officials, the purpose of U.S. sanctions policy on Russia is “to discourage risk-taking by the Russians, to

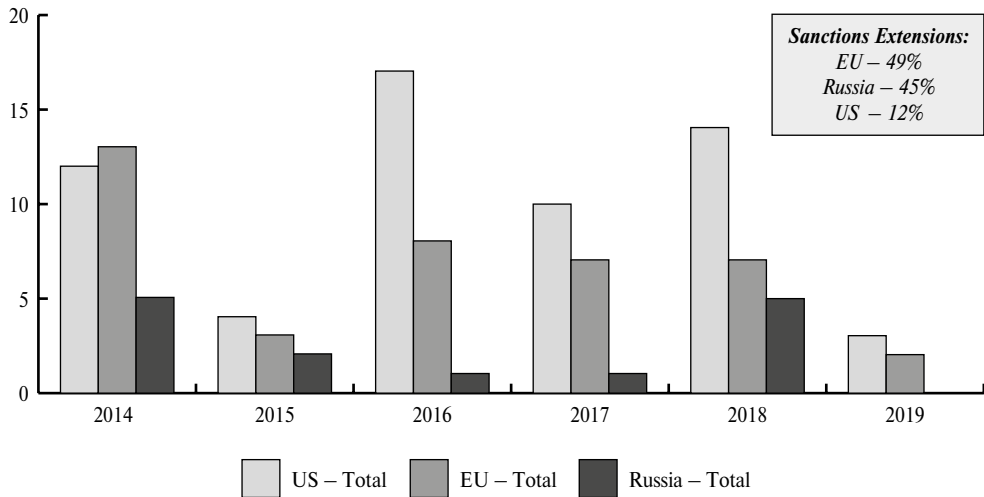
carve out small areas where there are abilities to cooperate, and to be very clear in specific and timely reactions that there will always be a cost to Russian behavior”⁵. For Moscow, continued relief derives from a combination of blunting the domestic impact of sanctions, diversifying trade relations, and reciprocating with its own sanctions that target Western vulnerability [Connolly 2018]. Both sides presumably can fumble towards these ends without fundamentally disrupting other aspects of their relationship, until the expected utility of compliance favors one side conceding to the will of the other.

In practice, however, current sanctions between the U.S. and Russia do not follow a discrete, unidimensional, cause-effect script. Although sanctions have become a growing feature of each state’s foreign policy directed towards the other since 2014, there is less reciprocity than commonly asserted. This lack of reciprocity can be observed when examining the timeline of Ukraine-related sanctions that the EU and the U.S. have imposed on Russia compared with the sanctions that Russia has imposed on the EU or the U.S. in response since March 2014. Radio Free Europe / Radio Liberty’s “A Timeline of All Russia-Related Sanctions” provides a comprehensive and granular accounting of all Ukraine-related Western sanctions and Russian counter-sanctions events from March 2014 to December 2019, including information on which sanctions are new versus renewed⁶. **Figure 1** aggregates these sanctions events by year and by source, focusing on sanctions originating from the United States, the Russian Federation, and the European Union as a whole. The new or renewed EU and U.S. sanctions on Russia are approximately equal in number for the first three years and then begin to diverge in 2017, which reflects the strong and coordinated initial response to Russia’s intervention in

⁵ Mohammed A., Psadedakis D., Zengerle P. Analysis: U.S. Sanctions on Russia Will Send a Signal, if Not Deter. *Reuters*, 22 March 2021. Available at: <https://www.reuters.com/article/us-russia-usa-sanctions-analysis/analysis-u-s-sanctions-on-russia-will-send-a-signal-if-not-deter-idUSKBN2BE16D> (accessed 10.06.2021).

⁶ Gutterman I., Grojec W., RFE/RL’s Current Time. A Timeline of All Russia-Related Sanctions. *Radio Free Europe / Radio Liberty*. 2021. Available at: <https://www.rferl.org/a/russia-sanctions-timeline/29477179.html> (accessed 30.03.2021).

Figure 1
Ukraine-related Western Sanctions on Russia and Russian Sanctions on the West, 2014 – 2019



Source: authors.

Ukraine that the EU and the Obama administration orchestrated, as well as the decline of this coordination under the Trump administration. Russia's aggregate response is conspicuously muted, as Russia has countered the 79 specific sanctions that the EU and the U.S. have collectively imposed with only 14 sanctions of its own against the EU or the U.S., four of which were simply extensions of the duration of sanctions Russia had previously instituted. Furthermore, Moscow's sanctions on the EU and the U.S. have been weaker and more narrowly targeted than those that the EU and the U.S. have imposed on Russia. In particular, Russian sanctions mainly target agricultural goods while the EU and the U.S. have imposed significant restrictions on the pillars of the Russian economy such as the oil, gas, banking, and defense industries.

Russia's muted embrace of reciprocal sanctions does not necessarily reflect that Moscow has not responded to the escalating sanctions regime that the EU and U.S. have imposed on its economy. However, rather than responding in kind with reciprocal sanctions, there is a notable diversity in Moscow's international

behavior that has become more pronounced since the first imposition of Ukraine-related Western sanctions in 2014. This is captured by an analysis of the GDELT and ICEWS datasets, which capture millions of international events starting in the mid-1990s and that makes it possible to illuminate broad trends in Washington and Moscow's sanctions-related postures. Using a CAMEO taxonomy of sanctions-related codes associated with both datasets⁷, in combination with a list of 'escalation points' where the U.S. strengthened its sanctions regime on Russia, our preliminary research reveals that since 2010 this sanctions relationship has unfolded more as an increasingly complex tangle than as reciprocal or calibrated interaction.

Escalation points are defined as actions taken by the U.S. that are likely to impose significant additional economic costs if Russia continues to refuse to comply with U.S. demands, such as abiding by the terms of the Minsk Accords leading to the return of Crimea to Ukraine. These escalation points may include the application of existing sanctions to a larger number of Russian elites and/or com-

⁷ See online Appendix on the article page at journal website.

panies, more stringent enforcement of existing sanctions restrictions, or the imposition of broader sanctions tools such as sectoral and/or secondary sanctions. To identify these escalation points, we first reviewed the details of each of the 43 specific U.S. sanctions described in the RFE / RL dataset, in conjunction with reports and detailed information on these sanctions published by the Office of Foreign Asset Control (OFAC) in the U.S. Department of the Treasury⁸. To understand the full breadth

of U.S. and Russian sanctions interactions from 2010 to the present, we augmented the list of sanction events with information on the Magnitsky Act – which the U.S. imposed on Russia starting in December 2012 – as well as with information on the sanctions that the U.S. has imposed on Russia since the end of 2019. In total, we identified 11 major events since 2010 where the U.S. either established new sanctions on Russia or significantly enhanced sanctions already in place⁹. **Table 1**

Table 1
Key Ukraine-Related United States Sanctions Against Russia, 2010–2020

| UID | Label (Source Country) | Date | Description |
|-----|---------------------------------------|------------------------|--|
| S1 | Magnitsky Sanctions (US) | December, 2012 | <ul style="list-style-type: none"> • U.S. passes Magnitsky Act, which imposes sanctions on Russian officials involved in the prosecution and death of investigative lawyer Sergei Magnitsky, but also normalized trade relations between the U.S. and Russia¹⁰. • In anticipation of the Magnitsky Act, the Russian Duma bans international adoptions of Russian orphans by U.S. couples. |
| S2 | First Ukraine Sanctions (US / EU) | March – April, 2014 | <ul style="list-style-type: none"> • First U.S./EU Ukraine-related sanctions-asset freezes and travel ban for limited no. of individuals tied to Crimea annexation and its financing. • Three U.S. Executive Orders¹¹ (EO #13660, 13661, 13662) signed by Obama, which provide legal authorization for the application of more expansive individual, company, and sector sanctions on Russia. • Russia responds with travel bans on key leaders in the U.S. government. |
| S3 | Sectoral Sanctions – Energy (EU / US) | July – September, 2014 | <ul style="list-style-type: none"> • U.S., as well as the EU, imposes first sanctions on Russia's energy-sector – Limited sanctions imposed on major Russian financial companies (e.g., Gazprombank, VEB Bank) restricting any issuance of new financing with maturity of more than 90 days¹². • U.S. imposes sectoral sanctions prohibiting new long-term debt issuance to Russian energy companies (e.g., Gazprom, Novatek, Rostec), as well as +7 defense companies. Restricting sales of advanced oil & gas technologies to these companies, as imported technologies are critical to both the ongoing operations & exploration projects of these companies¹³. • U.S. imposes sectoral sanctions on Russian defense industry, restricting the issuance of new long term debt over 30 days maturity¹⁴. • Russia imposes countersanctions which ban the import of many agricultural products from the EU and the U.S. |

⁸ United States Treasury Office of Inspector General, "Consolidated Sanctions List Data Files". Washington, DC: Office of Foreign Asset Controls, United States Treasury Office of Inspector General. 2020. Available at: <https://home.treasury.gov/policy-issues/financial-sanctions/consolidated-sanctions-list-data-files> (accessed: 10.06.2021); Gutterman, Grojec & RFE/RL's Current Time, "A Timeline of All Russia-Related Sanctions".

⁹ Ibid.

¹⁰ "Sergei Magnitsky Rule of Law Accountability Act", Title XII, Subtitle F of P.L. 114-32. 22 U.S.C. 2656.

¹¹ Executive Order No. 13660, 79 FR 13491(2014); Executive Order No. 13661, 79 FR 15533 (2014); Executive Order No. 13662, 79 FR 16167 (2014).

¹² Directive 1 Pursuant to EO 13662, 79 FR 16167 (2014), issued July 16, 2014, amended September 29, 2017.

¹³ Directives 2 Pursuant to EO 13662, 79 FR 16167 (2014), issued July 16, 2014, amended September 28, 2017.

¹⁴ Directive 3 Pursuant to EO 13662, 79 FR 16167 (2014), issued September 12, 2014.

Table 1. End

| UID | Label (Source Country) | Date | Description |
|-----|--|---------------------------|---|
| S4 | Crimea Leadership Sanctions | December, 2014 | • U.S. imposes sanctions on transactions with Crimea-based persons and entities, as well as sanctions against Russia-backed Crimean leadership ¹⁵ . |
| S5 | Cyber-Related Sanctions | April, 2015 | • U.S. issues blocking sanctions against Russian persons and entities deemed to have engaged in cyber activities that threaten U.S. national security, foreign policy, economic health, or financial stability. Sanctions freeze assets and prohibit U.S. transactions blocked individuals, as well as ban them from entry into the United States ¹⁶ . |
| S6 | CAATSA Passed (US) | August, 2017 | U.S. enacts “Countering American Adversaries Through Sanctions Act (CAATSA)” on August 2, 2017. This law imposes Congressional constraints against the softening of sanctions on Russia, and also imposes new sanctions on Russia for 2016 electoral interference in U.S. as well as Russian actions in Ukraine and Syria. |
| S7 | Kremlin Report (US) | January, 2018 | U.S. issues ‘Kremlin Report’, which identifies 210 Russian government officials and business elites that could be subject to future U.S. sanctions. |
| S8 | First Use of CATSAA Sanctions | March, 2018 | First use of CATSAA law, with U.S. Treasury imposing blocking sanctions on two entities (FSB, GRU) and six individuals related to cyber actions taken on behalf of the Russian government ¹⁷ . |
| S9 | Skripal / CWB Sanctions | August, 2018 | U.S. issues additional sanctions on Russia related to the Skripal poisoning in the U.K. Sanctions ban arms sales, arms financing, government credit / financial assistance, and export of many sensitive goods and services to Russia. U.S. threatens to impose additional sanctions on Russia within 90 days unless it complies with the 1991 U.S. ‘Chemical and Biological Weapons and Warfare Elimination Act’ (Hedberg 2018). |
| S10 | Sovereign Debt Sanctions | August, 2019 | U.S. impose additional sanctions on Russia related to the CBW Act of 1991. These sanctions prohibit U.S. financial institutions from participating in the primary market for Russian government bonds, the direct lending of funds to the Russian government. It also directs that the U.S. government oppose any loan to Russia by international financial institutions ¹⁸ . |
| S11 | Pipeline and Missile Sanctions (Including PEESA) | November – December, 2020 | <ul style="list-style-type: none"> • U.S. imposes additional sanctions on Russia related to support of Iran’s missile development programs. • U.S. imposes sanctions on companies / individuals involved in construction of Russian energy pipelines (PEESA Act) |

Source: authors.

lists and summarizes each of these 11 sanctions episodes.

As a baseline, we examined how closely the escalation points in Russia-U.S. sanctions interactions since 2010 map onto the sanctions event data present in the GDELT and ICEWS datasets. **Figure 2** represents the 11 key escalation points as either vertical dashed lines (for sanctions episodes contained in a single month) or vertical grey bars (for multi-month

sanctions episodes) overlaying Russia and U.S. reciprocal sanctions events. Russia’s events that impose sanctions on the U.S. are represented by the dark grey areas, columns, and lines, respectively, on the first, second, and third charts; U.S. sanction events targeted against Russia are presented in light grey. The sanctions data within GDELT and ICEWS line up fairly well with the escalation points in the Ukraine-related U.S.-Russian sanctions, which

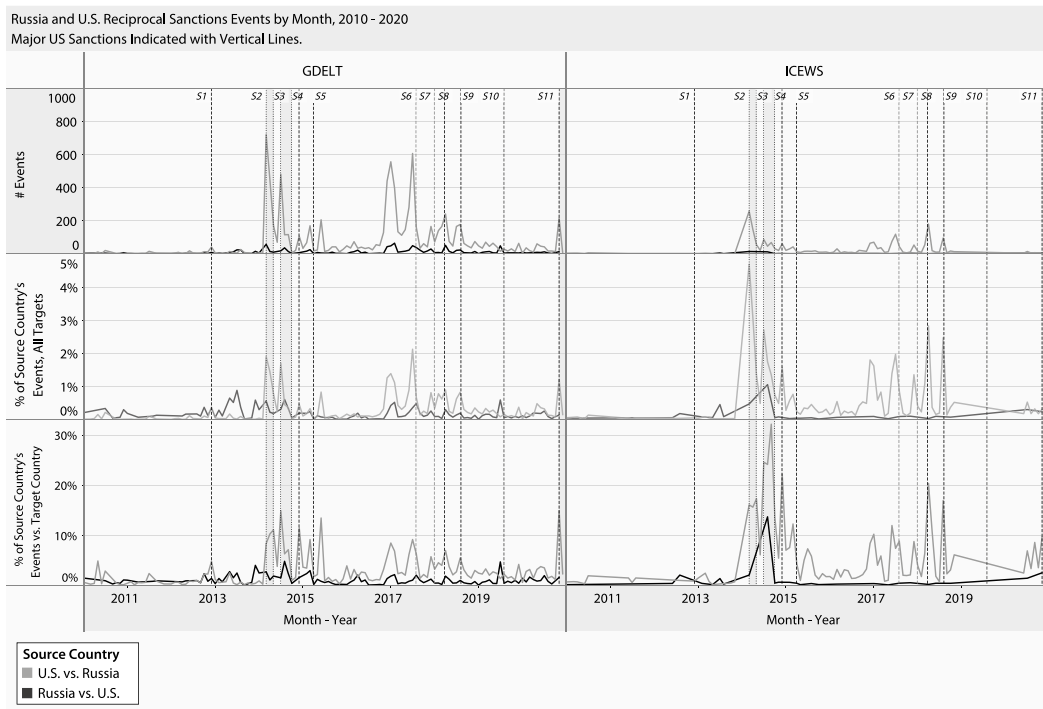
¹⁵ Executive Order No. 13685, 79 FR 77357 (2014).

¹⁶ Executive Order No. 13694, 80 FR 18077 (2015).

¹⁷ U.S. Department of the Treasury (2018, March 15). “Treasury Sanctions Russian Cyber Actors for Interference with the 2016 U.S. Elections and Malicious Cyber-Attacks”. [Press release]. Available at: <https://home.treasury.gov/news/press-releases/sm0312> [accessed 10/06/2021].

¹⁸ Executive Order No. 13883, 79 FR 38113 (2019).

Figure 2
Reciprocal Sanction Events (Russia vs. the United States, the United States vs. Russia)



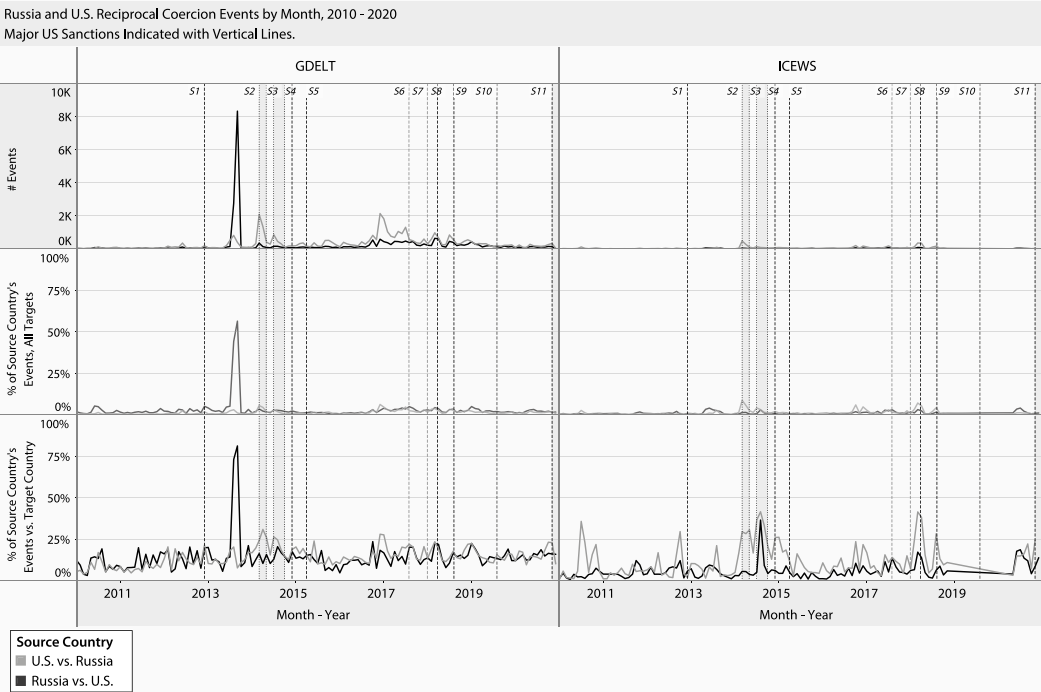
Source: authors using GDELT and ICEWS data.

is not surprising since the GDELT data encompasses all U.S.-Russia sanctions interactions including but not limited to those related to Ukraine. On one hand, this broader context demonstrates that since 2010 the U.S. and Russia have resorted with more frequency to imposing sanctions on each other. Russia's sanctions-related activity as a percentage of its overall foreign attention to the United States tracks closely with the analogous U.S. sanctions-related activity as a sub-set of events directed at Russia. Moreover, upticks in Russian sanctions events follow nearly all upturns in U.S. sanctions targeting Russia since 2010. On the other hand, the scale of Russia's overall response to U.S. sanctions is hardly reciprocal, which mirrors Russia's response to EU and U.S. sanctions related to Ukraine. In both cases, neither the magnitude nor intensity of U.S. sanctions on Russia are directly countered by Moscow. In short,

Russia's sanctions activity is a much less prominent feature of the actions it takes targeting the United States than are sanctions within U.S. assertive actions targeting Russia.

This pattern is consistent with detailed insights into Russia's sanctions posture. Some scholars argue, for example, that the Kremlin is more prone to practicing "differentiated retaliations" with its counter-sanctions, aimed less at leveraging economic advantage against vulnerable Western targets than at exacting maximum punishment against the states that Russia perceives as the main drivers of anti-Russian policies – such as its nearest neighbors and the U.S. – while minimizing strategic damage to important European major powers such as the UK, France, Germany, and Italy [Hedberg 2018]. Others tie Russia's sanctions behavior to factors related to geographic scope, to financial and institutional features of Moscow's sanction-related behaviour, and to

Figure 3
Russia and U.S. Reciprocal Coercion Events (Russia vs. the United States, the United States vs. Russia)



Source: authors using GDELT and ICEWS data.

divergent perceptions of threat from across economic sectors [Aalto, Forsberg 2016]. Such a case analysis is reinforced by broader trends in Russia’s posture.

Yet, as illuminated by the events data, to the extent that there is a “reactive” dimension, the “main events” may be more across-strategy/domain, rather than reciprocal. Specifically, U.S. sanctions targeted at Russia tend to correspond with more frequent and intensive surges in Russia’s overall coercive posture directed at the West, especially since 2015. **Figure 3** illustrates that Russia’s coercive threats and material action directed at the U.S. not only follow a pattern close to the imposition of U.S. targeted sanctions, but that both forms of coercion meet and sometimes exceed the frequency of U.S. sanctions, especially since the outbreak of the Ukrainian crisis in 2014.

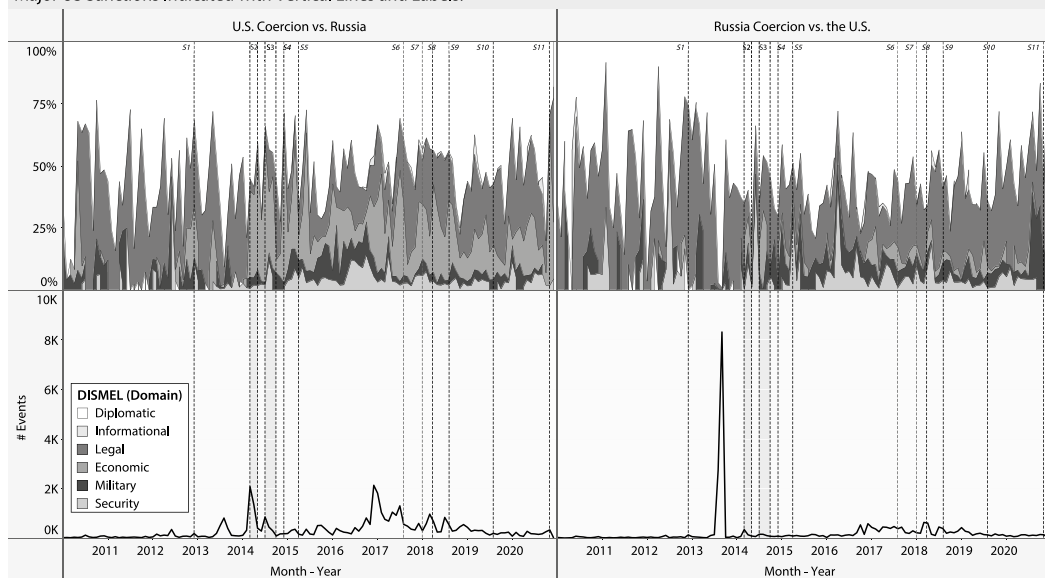
There also seem to be distinct cross-domain and geographic patterns to Russia’s broader

coercive counter-response. **Figure 4**, in particular, reveals that Moscow tends to impose predominantly legal forms of coercion directed at the U.S. – with occasional bouts of military and security forms – prior to and during periods of U.S.-imposed sanctions.

In addition, **Figure 5**, which depicts by target state the domains through which Russia has deployed material coercion since 2014, shows that Russia appears to embrace a geographically differentiated approach to its use of material coercion in 2014, the first year of Ukraine-related sanctions. Not surprisingly, Russia used the military domain in its coercive attempts against Ukraine that year, but Russia also preferred the military channel when it attempted to coerce Estonia, Finland, and Poland. Likewise, the majority of Russia’s material coercive actions against Iran took place in the economic domain, but this is not true in the case of the U.S., the U.K., France, or Germany,

Figure 4
Domains of Russia and U.S. Reciprocal Coercion Events

Russia and U.S. Reciprocal Coercion Events by Month, 2010 - 2020
 Major US Sanctions Indicated with Vertical Lines and Labels.

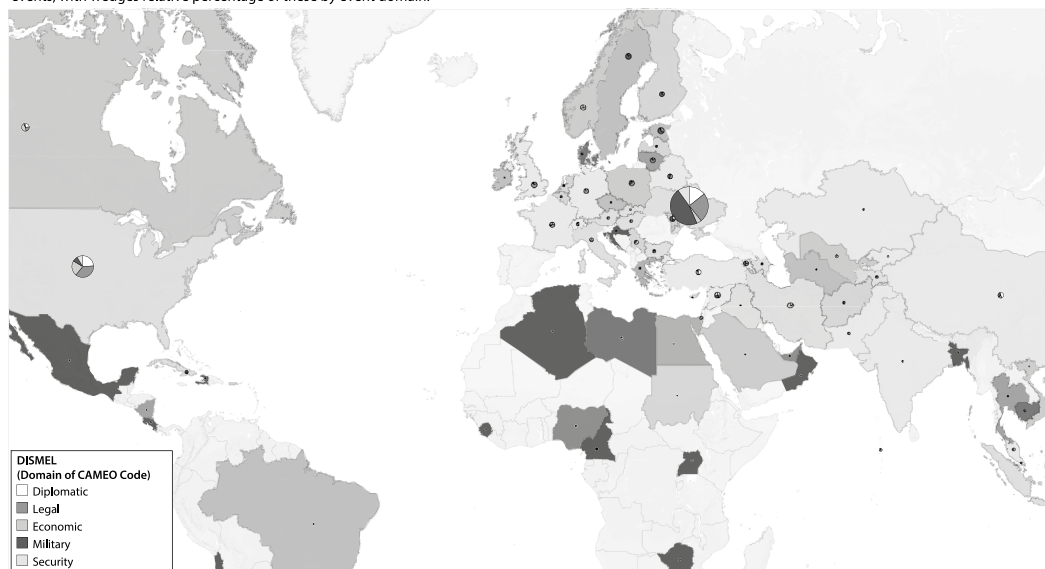


Source: authors using GDELT data

Figure 5
Forms of Material Coercion Used by Russia in 2014, by Target State

Frequency and Domains of Russia's Use of Material Coercion Against Target States, 2014

GDELT dataset. Country colors represent Russia's material coercion as a % of all Russian events to target. Size of pie chart represents raw number of material coercive events, with wedges relative percentage of these by event domain.



Source: authors using GDELT data.

despite the leading role that these countries played in imposing a coordinated EU-U.S. sanctions regime on Russia. Such targeted statecraft, however, does not seem to be preceded by graduated threats of imposing sanctions on the West.

3

The distinctive orthogonal dimensions to U.S.-Russian sanctions-related activity suggests a blind-spot to the prevailing Western bargaining model of international sanctions. The persistence of seemingly unsuccessful bouts can derive from factors other than a sender's problems with communicating or imposing sufficient costs – sunk, audience, or punishment. Rather, painful or ineffective sanctions can be rationally sustained by senders and targets that operate on different conceptual planes. The problem can rest with the very different ways that each side understands the appropriate context and role of sanctions. This is especially apropos to the contemporary U.S.-Russian context, as revealed from multi-dimensional analysis of the respective national discourse surrounding sanctions.

Contending Worldviews

We have argued elsewhere that Western and Russian strategic communities embrace alternative “worldviews” – comprised of shared basic beliefs, values, and coherent understandings regarding the meaning, processes, and legitimacy of sanctions as an instrument of political influence [Darsey, Stulberg 2019]. Such worldviews do not constitute theories or logical explanations for sanctions; rather, they represent pre-analytic prisms – comprised of axioms about relevant types of issues, actors, goals, and appropriate relationships – that inform the construction of causal arguments. Holders of worldviews interpret new information through these filters. Although they represent deeply rooted knowledge within a community, their tenets and coherence are conspicuous and can be readily articulated

[Brown, Phillips 1991; Griffiths 2007; Wright 1982]. Such discourse may not reflect objective truth as much as “the practices that systematically form the objects of which they speak [Foucault 1972]”. Thus, by linking texts to social contexts, discourse analysis illuminates how actors construct meaning and appropriateness from the artifacts of sanctions around them.

This raises the question of whether contending strategic conceptions translate into real-world differences in the signals that Russian and non-Russian policymakers intend to send when they impose and respond to economic sanctions, such as the sanctions that the EU and U.S. have imposed on Russia since March 2014. This question is important because the non-Russian academic literature largely reflects how EU and U.S. policymakers employ economic sanctions and the signals they intend to communicate through their use. Western policymakers employ sanctions assuming that Russian targets can interpret the signals the West conveys through sanctions, as well as that Russia's response to the sanctions should be interpreted in like manner. If instead policymakers in Russia, the EU, and the U.S. are ‘worlds apart’ in how they use sanctions and the signals they intend to convey through these, then it becomes more likely that the current sanctions persist, potentially leading to the ‘locking in’ of mutual distrust and perpetual low-grade conflict. Conversely, shared understanding opens the possibility for the resolution of the differences underlying the sanctions, or at minimum that the dispute over sanctions does not spill over into other areas where Russia and the West share important interests, such as combatting terrorism and preventing nuclear proliferation.

The questions that we raise cannot be answered directly¹⁹. Given that sanctions impose costs on both the target and the sending state, as well as the fact that these costs are likely incurred by a limited set of industries or companies in the sending state, the demands

¹⁹ Such definitive answers would require uncovering the “true” message that political leaders in the sanctioning state want to signal through their policy choices, as well as the target state actions or behaviors that they wish to trigger and that would satisfy the sanctioning state's demands.

that the sending state convey are likely to be a compromise between competing interests and the priorities of different groups within the state. Even if the sender wished to communicate these directly, it is unlikely that it could do so with a unified voice. Likewise, the words and actions that the target state takes in response to sanctions are likely to be the result of internal deliberation and compromise between competing groups, given the unequal distribution of both the costs imposed by sanctions and the ability and willingness to endure these costs. Even if both sides were unified in the messages that they intended to convey through sanctions, it is not clear that either side would have an incentive to communicate these messages directly, or how, when, and where they might communicate such a message.

Accordingly, there is no single source of data available to establish the interests, motivations, and demands of the source and target states engaged in using economic sanctions to resolve a dispute. However, both sender and target states provide partial clues to their intentions, interests, messages, and desired outcomes in the words that they use and the actions that they take during the period when one state imposes sanctions on the other. These clues exist in different sources, including strategic documents, the statements and ‘on-the-record’ comments that government officials make to the press about sanctions, in the less formal comments that these officials and influential private citizens make to the press on background for news reports, as well as in the record of everyday interactions between sender and target states that occur outside of the realm of sanctions. Each of these sources offers an important but incomplete perspective of the interests, motivations, and intentions that drive the ‘sanctions dance’ between the imposing and target state. When examined together, however, these sources form a mosaic picture of each side’s interests and motivations, with patterns of congruency and divergence emerging between statements and actions.

To construct such a mosaic, we utilized the above list of major sanctions events as refer-

ence points, or ‘anchors’, in a layered analysis of multiple data sources that characterize Russia’s response to sanctions. These sources include Russia-sourced events within the GDELT database and statements in Interfax made by Russian political and economic leaders in reaction to Ukraine-related Western sanction. Using these data sources, together with recent scholarship on the relationship between sanctions and war, we found that the significant differences we observed between Western and Russian communities of scholars and related research on sanctions resonate with how the Russian press portrays U.S.-Russia relations and the statements made by Russian elites concerning Western sanctions. The two communities of scholars draw insights and operate in isolation of each other, as well as emphasize different intrinsic dimensions to sanctions, which is suggestive of fundamentally divergent core conceptualizations of sanctions. This echoes in the Russian popular press’ portrayal of the strategic interactions between Russia and the U.S., which tends to inflate conflict between the two states and de-emphasize the degree to which Russia drives this conflict. Furthermore, when Russian elites talk with the press about Western sanctions, they devote less attention to the strategic dimensions of sanctions. Instead, they focus more narrowly on the macroeconomic impact, as well as the utility of asymmetrical responses including import substitution, domestic regulation, national innovation, and strategic trade diversification away from the West and towards India and China [Darsey, Stulberg 2019].

*Same Events, Divergent Perspectives:
Russian vs. Non-Russian Depictions
of U.S.-Russian Interactions During
the Ukraine Crisis (2014–2020)*

The previous findings are reinforced by data analysis of the broader non-academic policy discourse on sanctions in the Russian press. To develop this perspective, we utilized the automatically extracted structured event data from the GDELT system, including a curated corpus of Russian-language articles from the popular press that included multiple mentions of sanc-

tions-related terms²⁰. For this analysis, we utilized the scope and scale of the GDELT data to identify similarities and differences in how Russian and non-Russian publications have portrayed U.S.-Russian interactions surrounding Ukraine-related Western sanctions on Russia²¹.

Figure 6 distills Russian and non-Russian portrayals of U.S.-Russia interactions by showing the net difference in the percentage of conflictual and conflictual-material events extracted and reported in GDELT from Russian and non-Russian sources. Overall, this analysis shows that Russian publications are mainly aligned with non-Russian publications in describing the ebb and flow of interactions between Russia and the U.S. However, Russian publications portray the nature of these interactions quite differently. Specifically, they depict Russia and the U.S. as being locked into more peer-like competition, where Russia is the target of a greater share of U.S. events than is reported by non-Russian news outlets. This suggests that Russia commands relatively the same attention among U.S. policymakers as the U.S. commands among officials in Moscow. Another aspect of this difference rests with how Russian publications portray the nature of Russia-U.S. relations. Russian sources report a greater percentage of conflictual U.S.-Russian interactions than do non-Russian publications. Similarly, the Russian-sourced discourse emphasizes the material, action-oriented dimension to this conflict over the diplomatic and verbal dimensions. This combined conflict and action-oriented portrayal was particularly pronounced during the first two years of the Ukraine crisis. Relative to non-Russian sources, in 2014 Russian sources over-hyped the percentage of conflictual interactions that the U.S. targeted on Russia, as well as the extent of material con-

flict between the two states. Conversely, Russian sources portrayed a much more material response to the U.S. from April 2015 to June 2016 than suggested by actual events where the U.S. progressively increased its sanction regime without substantive reciprocal response from Russia. Taken as a whole, these patterns suggest that there are substantive and systematic differences in how Russian news portrays relations with the U.S. that may, in turn, reflect a broader basis for the ‘different worldviews’ seen in the Russian and non-Russian academic discourse.

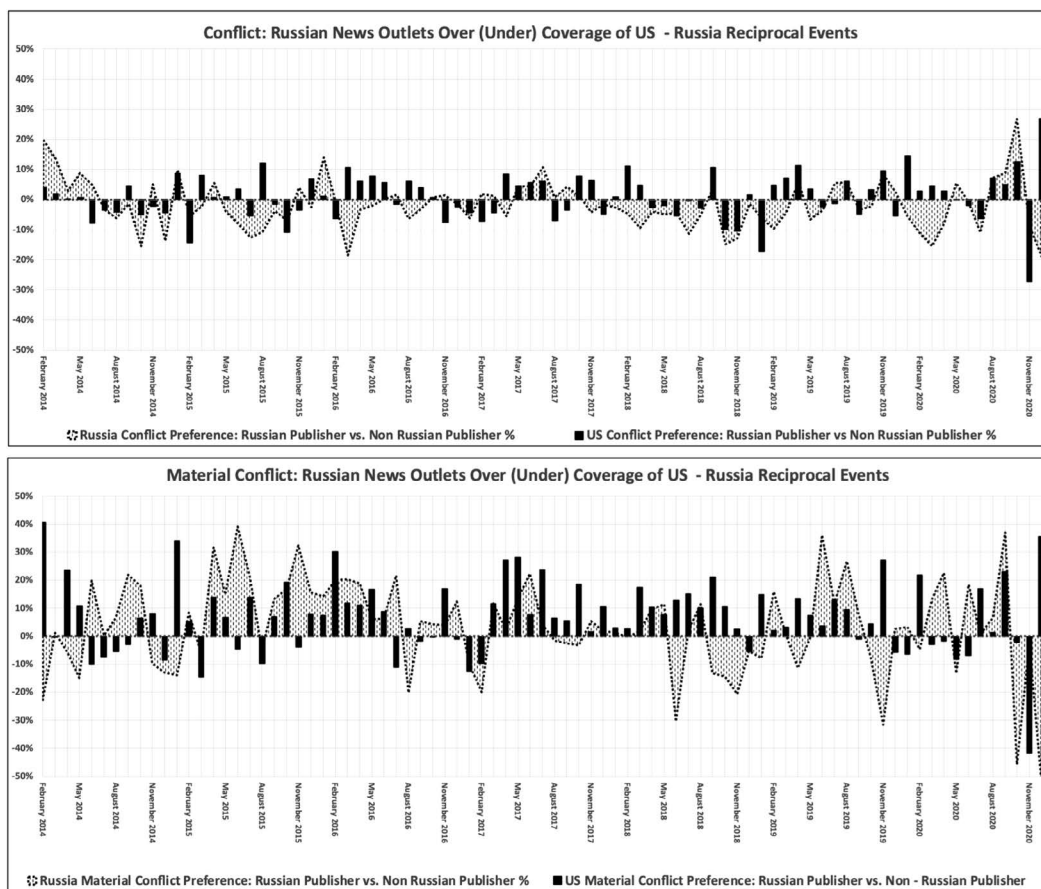
Sanctions as Substitutes vs. Instruments of War

The distinct asymmetrical and multidimensional patterns to contemporary U.S.-Russian sanctions-related postures also dovetail with fundamental differences in the contextual framing of sanctions among respective Western and Russian strategic communities. In traditional Western scholarship, sanctions constitute a non-kinetic instrument of international coercion aimed at indirectly influencing a target’s behavior. They serve as a form of economic warfare – aimed at weakening the economy of a target – that, in turn, shape the strategic choices of a target. They can represent foreign policy “on the cheap,” applying sufficient pressure on a target to avert the costly use of force. Accordingly, sanctions are conceived of as a non-violent alternative to employing brute force or waging military warfare that are traditionally characterized by physically imposing a sender’s will on a target [Baldwin 2020; Peterson, Drury 2011]. Although the employment of sanctions may be part of a strategy to coerce or soften up a target for subsequent military attack, as well as correlate with incidences of the use of military force, there is nonetheless a clear dichotomy between

²⁰ We based our identification of Russian publications on the URL associated with GDELT’s structured event data. Since mid-2013, GDELT data has included a URL field for all coded event records, which provides a basis for identifying events sourced from known Russian publishers, as well as additional publishers using a ‘ru’ domain name indicating that the publisher’s location is the Russian Federation. Russian publications are the source of more than 500,000 interstate event records in GDELT from 2014–2020, which represents approximately 5% of the total events that GDELT reports during this time period. This affords the opportunity to compare how Russian and non-Russian sources describe Russian and U.S. actions since the first Ukraine-related Western sanctions in early 2014.

²¹ Elsewhere, this comparison informs more in-depth analysis of the full text of 3,000,000 Russian language articles that discuss sanctions from the Russian popular press. This is used to identify key concepts and themes as they evolved over the same time period.

Figure 6
How Russian and Non-Russian Sources Portray Level and Nature of Conflict Events in U.S. – Russia Interactions



Source: authors using GDELT data.

decisions regarding the imposition of sanctions and those related to the escalation to engagement in violent warfare. At base, sanctions are conceived as non-violent instruments of policy that are part of a bargaining process aimed at manipulating the perceptions and choices made independently by target decisionmakers.

Conversely, from the Russian perspective, sanctions are part of an emerging broader definition of war that subsumes both kinetic and non-kinetic domains. Sanctions are integral to the contemporary strategic discourse that features a continuum of hostility with rivals, blurring clear distinctions between peace and war. Although often discussed as part of Western

strategies of coercion and hybrid warfare, there is mounting emphasis on sanctions as an intrinsic part of the changing nature of warfare, not simply as a precursor to the escalation of kinetic warfare. As detailed by Jonsson, the broad discourse reflected in official documents and among Russian national security and defense intellectuals and policymakers has undergone profound change whereby the nature of war is no longer confined to violent conflict. Rather, the widespread diffusion of information technology and advent of “color revolutions” now present existential threats to sovereign states on par with violent territorial conquest [Fridman 2018; Jonsson 2019].

The unprecedented capacity by external foes to use military and non-military means to subvert or otherwise forcibly orchestrate regime change in a rival state directly implicates sanctions as an element of warfare. Accordingly, sanctions are intrinsically linked to the conduct of color revolutions by external states, used to stoke “controlled chaos,” escalate extremism, empower fifth columns, and undermine targeted regimes that are tantamount to defeat on the battlefield [Jonsson 2019; Nikitina 2014]. Putin, in particular, has characterized sanctions as an instrument of war, aimed explicitly at eroding national sovereignty, destabilizing unwanted regimes, and provoking coups in order to physically impose the will of a foreign state on the society and leadership of a rival state [Nikitina 2014]. By the same token, sanctions have been called out as forms of asymmetrical, low intensity, and next generation warfare by military scholars that integrate them into the predominant non-kinetic dimensions to contemporary campaigns of war [Adamsky 2018; Berzins 2019]. Thus, whereas Western scholars regard the resort to sanctions as a distinct form of coercion that substitutes for engaging in war, the Russian strategic community increasingly treats sanctions as part of the transformation of warfare where they are critical to intra-war escalation by non-military means.

Leadership Framing of Cross-Domain Response to Sanctions

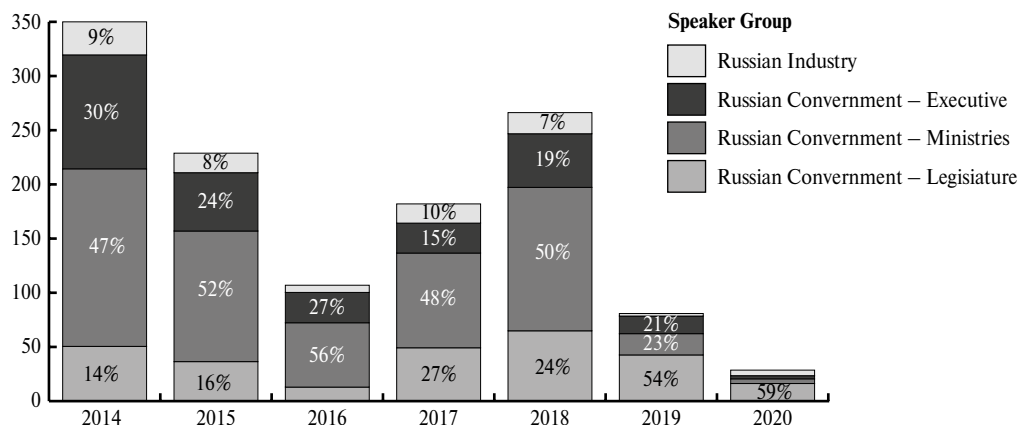
An additional aspect of the contending worldviews between Russia and the U.S. can be discerned from the statements about Western sanctions that the Russian political and business leadership make in the press in response to current sanctions events. These statements represent the evolving externally-focused messaging on sanctions as communicated by different major Russian government bodies, as well as the positions conveyed by executives from leading Russian companies in the face of targeted EU and U.S. sanctions. Since these statements occur contemporaneously with the evolution of Western sanctions on Russia, they offer insights into how the Russian leadership acknowledges, processes, interprets, and

responds to Western sanctions in real time, as well as provide guidance for the strategies and tactics of Russia’s response.

To understand how Russian political and business elites have responded to Western sanctions, we reviewed all news headlines that included the terms ‘Russia’ and ‘sanctions’ in the title or abstract published between March 2014 and October 2020 by *Interfax*, one of the leading media aggregators of Russian-language news. We filtered this dataset of approximately 2,500 headlines to include only those articles that reported a statement made by senior leaders in either the Russian government/parliament or in Russian industry; we then applied machine learning tools to identify and categorize the speaker’s stance towards Western sanctions. This allowed us to analyze patterns in *who* within Russia’s elite responds to different sanctions episodes, as well as *what* response these sanctions elicit. Specifically, this exposes the degree to which Russian official reactions to Western sanctions comport with the West’s understanding of the intended purpose, legitimacy, and signals tied to sanctions. We looked for statements that indicated either how the speaker interpreted the impact and intended message of each ‘sanction incident’ or conveyed a threat or actual response to EU-U.S. sanctions taken by Russia. We classified these responses into three major groups: ‘Statement, Claims or Comments About Sanctions’; ‘Reciprocal Responses to Sanctions’; and ‘Non-Reciprocal/Orthogonal Responses to Sanctions’, as described in more detail below.

Figure 7 identifies the major organizational groups and sub-groups associated with each speaker. Most headlines attributed to Russian officials were for those affiliated with the Office of the President, the Duma (lower house of parliament), and the ministries of Foreign Affairs, Military Technological Cooperation, and Defense; for these groups, we identified the specific functional or technical role that the individual plays within the group. Examining government statements with this level of detail allows for assessing differences in the messages and/or perspectives addressed by different government stakeholders, as well as for examining whether these different sub-groups

Figure 7
Number and Source of Russian Elite Statements About Western Sanctions, 2014 – 2020



Source: authors using Interfax Newswires.

may be tasked with delivering certain types of messages²². The greatest variability in this data is in the absolute and relative number of statements made by Putin or his senior staff in the Russian Presidency, which peaked at the beginning of the Ukraine crisis and again in 2018. These points coincide with the greatest number of statements made by Russian elites.

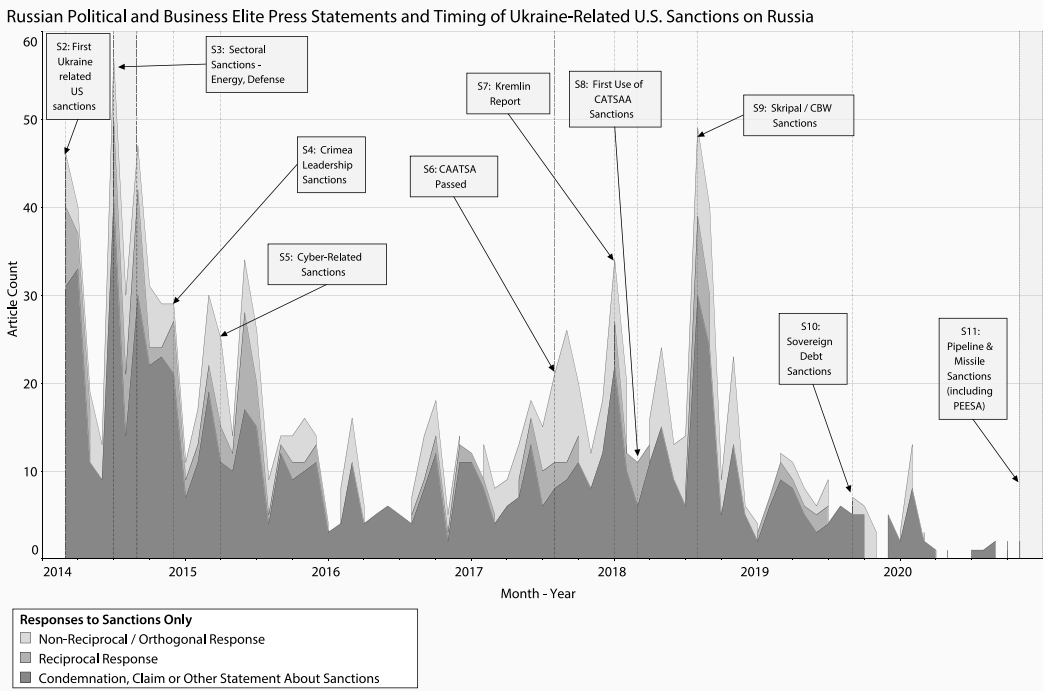
The number of newswire articles containing statements about sanctions by Russian political and business leaders tracks closely with each of the major escalation points in the U.S.' sanction regime against Russia. Russian government officials and business leaders were particularly vocal in March/April 2014, when the U.S. and the EU first imposed Ukraine-related sanctions on Russia, as well as over the summer of that year. The latter period coincided with the issuance of the U.S. Treasury Department's initial sanctions target lists and the attendant Russian government's counter-sanctions in August 2014. Two other noticeable spikes in the frequency of government and business comments occurred in January 2018 and August 2019, corresponding with the release in the U.S. of the 'Kremlin Report', that listed 210 additional potential sanctions targets and the initiation of a broad set of sanctions against the

Russian arms industry. However, these latter spikes in the number of Russian comments is less than the volume of such comments in early 2014, despite the fact that U.S. sanctions imposed progressively larger costs on the Russian economy over time. This suggests that government and business elites may have become resigned to accept sanctions as a lasting feature of Russia's relationship with the U.S.

At the same time that the volume of Russian elite comments on U.S. sanctions has declined, the nature of these comments has changed. This is captured by the shift in relative size of the colored areas on the chart in **Figure 8**, which represent three broad classes of statements about Western sanctions issued by the Russian elite. The most prominent of these colors across all months on the chart is light grey, which represents statements of fact or opinions about Western sanctions. These comments include condemnations of Western sanctions, such as statements that these sanctions are unwarranted or hypocritical, as well as claims about the actual or potential impact and effectiveness of these sanctions. While the West's sanctions serve as prompts for these statements, they are essentially part of the regular give-and-take of diplomatic discourse,

²² This can include differences in the communications of official responses made by the Russian government to Western sanctions, as well as different patterns in who speaks that may change over time or in relation to the intensity/novelty of the sanctions that the West imposes.

Figure 8
Major U.S. Sanctions on Russia and Categories of Russian Political
and Business Elite Statements About Sanctions, 2014 – 2020



Source: authors using Interfax Newswires.

as they do not communicate information about any actions that Russia may threaten or take in direct response to the West's sanctions.

Russian elite discourse concerning the direct reciprocal versus non-reciprocal response to Western sanctions is captured in the intermediate grey and dark grey areas on the chart in **Figure 8**. We defined "reciprocal responses" as those that align with Western academic literature on sanctions and associated strategic interactions between states – that is, responses that either threaten or announce Russia's capitulation to Western sanctions or the threat or imposition of counter-sanctions that are of similar scope and impact to the sanctions the West has imposed on Russia. Non-reciprocal responses constitute threats or actions that Russia has clearly tied to Western sanctions, but that are fundamentally different from the West's sanctions in size, scale, scope, and target. The majority of these statements exhibit 'issue link-

age' between continued Western sanctions and *reduced cooperation* by Russia with international issues that are not directly related to Ukraine or the West's related sanctions. Most of these statements pertain to reducing Russia's support for international sanctions imposed on other countries, such as Syria, Iran, Venezuela, and North Korea. These statements generally express the solidarity that Russia has with other states that are subject to similar 'unjust' international sanctions, and in some cases they convey Russia's intention to undermine the effectiveness of these sanctions on other states including Iran and North Korea.

Another set of statements link Western sanctions to a *refocus in Russia's relations* with other countries, such as discontinuing U.S.-Russian joint terrorism efforts or re-centering Russia's foreign relations on Asia. Finally, a relatively small but important set of statements reflect *possible asymmetric retaliation* by Russia against

U.S. or the EU. These contain vague threats that could indicate an escalation and/or broadening of Russia's conflict with the West, such as threats of sanctions that will 'cause serious discomfort to the American side'²³, 'painful countermeasures'²⁴, or 'asymmetrical actions'²⁵. Although conspicuous, these threats contrast markedly with the larger number of 'reciprocal response' statements that explicitly use the language of Western academic discourse on sanctions. The latter include promises that Russia will respond with 'reciprocal sanctions'²⁶ that are proportionate in effect to the sanctions the West has imposed on Russia²⁷.

* * *

Sanctions are increasingly regarded as a long-term fixture in the gathering great power competition between Russia and the West. Notwithstanding their limited effectiveness at achieving direct aims, scholars and experts on all sides treat them as low-cost measures to signal displeasure, coerce, or punish the other in an ongoing struggle. Within American policy analytic circles, sanctions are regarded "simply as fact of life," aimed at minimum to send a proportionate message to a recalcitrant Moscow: "we are watching these (malign) activities, we're going to call them out"²⁸. Similarly, pragmatists in Moscow call on the Kremlin not only to refine calibrated coercion campaigns but to "regard U.S. sanctions as a stimulus to work towards

further economic, financial, technological, informational, and cultural independence amid global competition [Trenin 2021]." Such views are predicated on the classic bargaining model that places real and anticipated costs and benefits, as well as international signaling, at the crux of strategies to threaten and impose sanctions and to account for a target's response.

Yet, as we demonstrate in this paper, critical assumptions at the crux of this strategic dynamic are empirically and analytically circumscribed. The multi-dimensional data analytical examination of Russian discourse and posture regarding sanctions exposes fundamental differences over their appropriateness and strategic context. As reflected in Russian discourse, unilateral sanctions imposed by Western rivals not only lack legitimacy, but reflect the adversary's commitment to fomenting colored revolutions and undermining the Kremlin's political legitimacy through non-violent means. In this context, Moscow is prone to view U.S. sanctions as an instrument of war, thus potentially widening and deepening the dimensions of confrontation. At the same time, with growing confidence in key regional and strategic conventional and nuclear military balances, Moscow is emboldened to employ sanctions together with other non-military instruments as part of assertive and wide-ranging cross-domain coercive campaigns [Ven Bruusgaard 2021]. This flies in the

²³ Kremlin spokesman Dmitry Peskov, quoted by Interfax in "'Serious discomfort; to be caused to U.S. in response to new sanctions against Russia – Peskov', Moscow: Interfax. December 30, 2016.

²⁴ Russian Deputy Foreign Minister Sergei Ryabkov, quoted by Interfax in "Russia to take painful countermeasures if U.S. expands sanctions – Foreign Ministry". Moscow: Interfax. October 19, 2016.

²⁵ Kremlin spokesman Dmitry Peskov, quoted by Intefax in "Russia will respond to sanctions imposed against it using principles of mutuality, but asymmetrical actions are also possible – Peskov". Moscow: Interfax July 31, 2015; Franz Klitsevich, First Deputy head of the Federation Council Defense and Security Committee, quoted by Interfax in "Broader U.S. sanctions against Russia to kill last chance for normalizing bilateral relations – Federation Council member". Moscow: Interfax. October 27, 2017.

²⁶ Kremlin spokesman Dmitry Peskov, quoted by Interfax in "Peskov on Moscow's possible reaction to extension of EU sanctions: reciprocity principle applies". Moscow: Interfax. June 18, 2015.

²⁷ See especially Russian Ministry of Foreign Affairs (2021), Заявление МИД России об ответных мерах в связи с враждебными действиями США (Russian Foreign Ministry statement on retaliatory measures in connection with hostile actions by the United States). Available at: https://www.mid.ru/ru/maps/us/-/asset_publisher/unVXBbj4Z6e8/content/id/4689067 (accessed 10.06.2021).

²⁸ White House. Remarks by President Biden on Russia *The White House Briefing Room*. April 15, 2021. Available at: <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/04/15/remarks-by-president-biden-on-russia/> (accessed 10.06.2021); and Mohammed A., Psaledakis D., Zengerle P. Analysis: U.S. sanctions on Russia Will Send a Signal, if Not Deter. Reuters. March 22, 2021. Available at: <https://www.reuters.com/article/us-russia-usa-sanctions-analysis/analysis-u-s-sanctions-on-russia-will-send-a-signal-if-not-deter-idUSKBN2BE16D> (accessed: 10.06.2021).

face of the prevailing Western conception that sanctions constitute means for strategic competition that are distinct from war or that clearly signal intentions to slow or avert escalation. Accordingly, assumptions that Russia and the West mirror image each other in this strategic contest are not only problematic, but can blind us to inadvertent outcomes to what otherwise appear to each side to be low-cost demonstrations of resolve or calibrated action.

This discourse analysis suggests that expected utility calculations and incoherent signaling alone do not capture the dynamic and multidimensional character of the transatlantic sanctions snarl. Rather, the contending worldviews potentially compound burdens of uncertainty and costly signaling in sanctions between the U.S. and Russia. Moreover, the mutual default to sustaining unsuccessful unilateral sanctions ironically not only confirms each side's parochial assessments of its leverage over the other, but it also introduces cross-domain risks that can defy efforts to fine-tune the imposition of costs. If not redressed, this dynamic can derail efforts at strategic reengagement, if not inadvertently elevate prospects for dangerous escalation.

The disconnect between Western and Russian approaches to the threat and imposition of sanctions, therefore, suggests several constructive avenues for future research. Firstly, future research on the coercive use of sanctions should endeavor to embrace an empathetic approach to signaling. Because contending worldviews frame the strategic context within which sanctions are perceived, considered, and assessed, adversaries need to refine signals to demonstrate commitment, credibility, reassurance, and reputation in a manner attuned to the other's frame of reference. Therefore, new research should be devoted to understanding how best to tailor signals to be received in a desired manner rather than myopically focusing on refining the impact of sanctions on a discrete target.

Secondly, given the proclivity for at least some actors in a sanctions tangle to blur boundaries between peace and war, future research should explore how sanctions threats and punitive measures are interconnected. With the growing attention to coercive dimensions, there has been a movement to treat sanctions

threats and imposition as part of a strategic continuum. While some now underscore that contending logics may warrant treating them as distinct, the research here suggests that the threat and imposition of sanctions may be directly linked due to risks of inadvertent escalation [Morgan et al. 2020]. The mechanisms that produce sanctions threats as a calibrated form of coercion for one party may only fuel the escalatory logic behind the other's resort to both non-military and military instruments of war. Accordingly, the attention to calibration should begin by reassessing preferred outcomes, targeting sanctions and inducements to affect critical inflection points in a target's decision-making, rather than by defaulting to strategies for gradually escalating impact.

Finally, future research on sanctions should be directly tied to broader analysis of the dynamics of cross-domain strategic coercion, warfare, and stability. Because sanctions, like other non-military instruments, are contrarily seen by rival strategic communities as substitutes versus instruments of warfare, such threats and punitive measures raise the specter of both horizontal and vertical escalation. From one perspective, this could contribute to a stability-instability paradox, whereby balance at the kinetic level among great powers may encourage more frequent but moderated cross-domain competition. However, divergent worldviews suggest that such competitive strategies are neither discrete nor linear. As one party may see sanctions as a means to signal displeasure while diffusing vertical escalation, the other may regard them as a form of vertical escalation. Accordingly, what may seem to one party to be a low-cost form for maintaining steady and graduated pressure on a rival below a red-line may be more akin to walking blindly in the other's minefield. The latter inadvertently risks either precipitating reflexive escalation across the red-line into violent kinetic warfare, or plummeting political relations to depths that confound prospects for constructive engagement even under more propitious strategic circumstances. In this regard, focusing on the interaction of contending sanctions worldviews and postures can yield new insights into enduring and unintended strategic consequences of great power rivalry.

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ТЕНЬ САНКЦИЙ

СТРАТЕГИЧЕСКИЕ ПОСЛЕДСТВИЯ РАЗЛИЧИЙ В САНКЦИОННОЙ ПОЛИТИКЕ США И РОССИИ

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Резюме

Экономические санкции стали определяющей чертой отношений между Россией и США / ЕС после начала украинского конфликта в 2014 году. И Москва, и Вашингтон, похоже, согласны с тем, что санкции будут оставаться в силе на неопределённый срок. Такое постоянство представляет собой парадокс: западные политики неоднократно вводили дополнительные ограничения, несмотря на отсутствие свидетельств того, что санкции сработали для достижения декларируемых целей. В данной статье исследуется природа и происхождение этого парадокса с использованием многомерного анализа действий и дискурса России и США с момента введения санкций в отношении Москвы, связанных с Украиной, в марте 2014 года. Этот анализ выявляет фундаментальные различия в том, как стороны воспринимают целесообразность и стратегический контекст этих мер, которые отражают коренное различие во взглядах Москвы и Вашингтона. Эти противоречия в мировоззрениях потенциально способны усугубить бремя неопределённости при санкциях между США и Россией, что также создает риски перелива конфликтности, которые могут препятствовать усилиям по точному дозированию имеющихся затрат. Если не исправить эту динамику, это может подорвать усилия по возобновлению стратегического взаимодействия, а то и непреднамеренно повысить вероятность опасной эскалации.

Ключевые слова:

санкции; Россия; США; ЕС; дискурс.