

# INTERNATIONAL SANCTIONS, PECULIARITIES OF THEIR IMPLEMENTATION IN THE EU SYSTEM AND IN UKRAINE

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**Abstract.** *Nowadays, the bipolar world order contributes to an increase in the frequency and number of international conflicts, and to the rivalry of interests of the central powers, all of which together lead to shifts in the structuring of the international space. In particular, this has affected changes in the international environment and the crystallisation of new challenges to global security. Among them, the issues of nuclear proliferation and international terrorism, in particular, the threat of nuclear terrorism, as well as cross-border organised crime, political and religious extremism, drug trafficking, and uncontrolled military conflicts that undermine the foundations of global stability, are becoming particularly acute. Therefore, the international community was forced to improve the principles and mechanisms for maintaining international order. Among them, sanctions play an important role as a method of foreign policy influence.*

*In 2014, with the outbreak of Russian military aggression in Ukraine, the international community began to impose sanctions on Russia to prevent any escalation of the conflict. On 24 February 2022, it became known that these measures were not enough. After the outbreak of Russia's full-scale war against Ukraine, which was condemned by the international community, new unprecedented restrictive measures were introduced against the aggressor country. Sanctions have become the subject of research by politicians and scholars, as they are nowadays the main alternative to war, and security and stability in the world depend on their effectiveness.*

*The purpose of the article is to explore the essence and significance of international sanctions, and to analyse the procedure and peculiarities of their implementation in Ukraine and the EU countries.*

**Key words:** *international sanctions, restrictive measures, sanctions policy of Ukraine, EU standards and rules, consequences of sanctions.*

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**Statement of the problem.** Recently, scholars and experts have been paying great attention to international sanctions imposed by many leading states and international organisations against Russia (hereinafter - the Russian Federation) and their effectiveness. These sanctions, imposed after the attempted illegal annexation of the Crimean peninsula, and especially broad - after the large-scale invasion of Ukraine by Russian troops on 24 February 2022, targeted both individuals and the economy, financial system, trade, logistics, import and export of goods and other areas of the aggressor country's activities.

The global practice of imposing sanctions has shown that, while being an important instrument of foreign policy, they also contain many problems that need to be addressed, the main of which is the effectiveness of their use and the settlement of such issues as reducing their negative consequences for third countries, anticipating possible political risks from the implementation of sanctions, limiting state sovereignty as a result of interference in internal affairs, forecasting the direction of the target state's foreign policy development and the international political consequences of the application of sanctions.

This topic has been researched by scholars: Y. Bilousov, A. Bobrovyskyi, K. Buhaychuk, N. Havrylenko, A. Honcharuk, M. Deudi, S. Dorosh, C. Elliott, E. Ashford, A. Kern, D. Oliynyk, V. Panchenko, N. Reznikova, Y. Sedlyar, I. Us, T. Fedorchak, G. Huffbauer, O. Chugaiev, H. Shyrokyi, O. Schmitt, O. Shmorgun, R. Yuldashev and others.

The purpose of the article is to research the essence and significance of international sanctions, to

analyse the procedure and peculiarities of their implementation in Ukraine and the EU countries.

The research methodology is based on historical and systematic approaches. The study used general scientific, general philosophical, and interdisciplinary methods of analysis.

Presentation of the main research material. The use of sanctions as a way of political and economic pressure by one country on another to force the latter's government to make concessions and adjust its foreign policy has been known since ancient times, in particular, 'in 432 BC, the Athenian strategist Pericles imposed a ban on trade with Megara, which was one of the reasons for the outbreak of the Peloponnesian War' [1, p. 225-290]. Since then, restrictive measures have been used by countries to achieve certain foreign policy goals.

In the twentieth century, the use of international sanctions became part of the diplomacy of many of the world's leading states. The role of sanctions, in particular economic and financial sanctions, as an instrument of foreign policy influence is growing in the 21st century due to the processes of globalisation, which increases the interdependence of countries on the world stage, changes the parameters of state power and complicates the process of international cooperation.

As M.S. Deudi notes: 'Sanctions are unilateral or collective actions against a state that is considered to be a violator of international law, aimed at forcing it to comply with the law' [2]. They are a compromise between intensive actions, which may include military action, and diplomatic methods. Sanctions, in particular, may include: termination of international diplomatic relations, sequestration of property of a foreign state or its citizens,

boycott of sports and cultural events, etc. However, the most common form of sanctions is economic sanctions.

O. Chugayev studied this type of sanctions in the context of the implementation of the economic power of the state. The scholar believed that: 'in a broad sense, they are specific tools or methods of using economic force by a country to achieve various goals, and in a narrow sense - economic instruments of punishing other countries for their offences' [3].

According to the European expert O. Schmitt, who studies the theory of strategic studies of international sanctions, the latter are very similar to war by the nature of their impact, but the degree of their influence is different. O. Schmitt believes: 'Both sanctions and war involve a dialectical relationship between at least two political units; sanctions ... are used by a political unit to force another political unit to do its bidding. The idea of coercion and submission is important because it emphasises the political nature of sanctions' [4, p. 7-8]. Therefore, sanctions can be seen as a political tool in the continuum of means that lie between persuasion and war.

Thus, international sanctions are a tool for realising the national interests of countries and a way of maintaining international security and peace; they are coercive collective measures applied through the institutions, mechanisms and standards of international organisations to an offender to encourage it to fulfil its international obligations.

The institutional framework and basic principles of the European Union's (hereinafter - the EU's) sanctions policy are determined by its founding documents, in particular, the Treaty of Rome (1957), the Maastricht Treaty (1993), the Treaty of Amsterdam (1997), the Treaty of Nice (2000) and the Treaty of Lisbon (2009). Institutional support for the application of sanctions in the EU is defined in the Recommendations on the Application and Evaluation of Restrictive Measures (Sanctions) (2003, 2005, 2009). Another important document in this area is the Basic Principles for the Use of Restrictive Instruments (Sanctions) (2004), according to which the EU implements sanctions measures to support efforts to combat terrorism, proliferation of weapons of mass destruction, human rights, and support for democracy. The EU's foreign policy goals that can be achieved through sanctions have been specified in a number of official acts. In particular, the EU Code of Conduct on Arms Exports (1998) lists the objectives that can be achieved through arms embargoes in the security and defence sectors; the EU Council document 'Non-military instruments for crisis management' (1999) mentions sanctions policy as a way to resolve international crises and prevent conflicts, and the European Commission report of 2003, 'Conflict prevention and crisis management: EU non-military instruments for crisis management'. The European Security Strategy (2003) mentions international sanctions as a way to address new threats of our time, and the EU Strategy against the Spread of Weapons of Mass Destruction (2003) provides for the use of sanctions measures to counteract the proliferation of WMD, etc.' [5, p.344-345].

Nowadays, the criminal regime of the Kremlin has unleashed military aggression against Ukraine and seized part of its territory, causing huge human and economic losses. The immediate consequence of this aggression was the flight of millions of refugees from the occupied territories and Ukrainian emigrants to the EU, the US and other countries.

The first package of sanctions was related to the escalation of Russia's aggression against Ukraine, which was imposed by economically developed democratic states in connection with the recognition of the quasi-entities of the DPR and LPR. Subsequent sanctions packages are related to the unjustified military attack on Ukraine in February 2022.

For example, 'the United States and the EU imposed sanctions on the Central Bank of Russia, freezing its foreign assets. As of 13 March 2022, Russia no longer had access to about \$300bn, or almost half of its gold reserves. This is almost half of its foreign exchange reserves (the total foreign exchange reserves of the Central Bank of Russia are estimated at about USD 630 billion). After that, in March of the same year, the French authorities froze €22 billion worth of funds of the Central Bank of the Russian Federation, as well as accounts and real estate of individuals under sanctions totalling €850 million in France. European countries are also actively blocking other Russian assets, for example, the Netherlands - by EUR 392 million; Poland - by USD 33 million; Norway - by USD 2.5 billion. Norway - by USD 2.8 billion; Switzerland - by more than USD 6 billion. Switzerland - by more than USD 6 billion. The sanctions include funds, luxury real estate, yachts and aircraft' [4, p. 7].

Since the beginning of the full-scale Russian invasion of our country, the world's leading countries have begun to close their airspace to Russian aircraft. The United Kingdom was the first to do so, followed by Poland and the Czech Republic, which announced that they would close their skies to Russian aircraft. On 27 February 2022, European Commission President Ursula von der Leyen announced that the European Union was completely closing the skies to Russian airlines.

'The EU Council's decision of 8 April 2022 on restrictive measures in connection with Russia's aggressive actions in Ukraine banned Russian-flagged vessels from entering European ports. According to the European Commission, 2,873 Russian-flagged ships were subject to these sanctions. However, changing the registration does not circumvent the restrictions, as the EU decision applies to all ships that changed their Russian flag after 24 February 2022. On 17 April, Romania, Italy, Belgium, Estonia and Bulgaria banned Russian ships from entering ports (sea or river) as part of EU sanctions. These countries were the first among the EU member states to make a decision and close ports to Russian ships' [4, p. 8].

It is worth noting that as regards sectoral sanctions, European companies have stopped investing in infrastructure projects of the Russian Federation in the following areas: energy, transport, telecommunications, development of mineral resources, etc. The EU also stopped supplying equipment, insurance and financial services to Russian companies specialising in raw materials or

infrastructure. The sanctions included a ban on transactions with securities with a maturity of more than 90 days issued by state-owned enterprises of the Russian Federation after 1 August 2014. The EU restrictions also included restrictions on the export of dual-use goods and related services, military equipment, weapons, and equipment in the oil industry.

Thus, international sanctions against Russia included:

1) weakening of the military potential and reduction of the economic base necessary for the production of certain types of weapons and military equipment;

2) punishment of the political regime and the elites that support it through asset freezes and isolation;

3) preventing the aggressor state from further escalating the conflict. In this case, sanctions should make the price of Russia's aggressive policy unacceptable. This can be achieved by depriving Russia of its economic support, i.e. its largest source of income - energy exports.

In addition, a study of the EU's practice of implementing sanctions policy suggests that it rarely helps to achieve its goals, in particular, due to its subordination to the political goals of other actors, primarily the United States, and inconsistent implementation of sanctions by member states. The weakness of the EU sanctions policy is also explained by the conflict of interests of member states, which is manifested primarily in the preparation of EU Council documents on sanctions, which are characterised by a minimal set of sanctions and, therefore, a negligible political effect.

The European Union's report on the impact of sanctions states that: 'the EU sanctions against Russia will intensify over time and will have a greater long-term impact on the rF economy. They have significantly deteriorated Russia's industrial and technological potential. These measures will have a structural, long-term impact on Russia's budget, financial markets, foreign investment and its industrial and technological base' [6].

In Ukraine, the sanctions policy is determined by the Law of Ukraine 'On Sanctions' of 14 August 2014 No. 1644-VII, which distinguishes the following types of sanctions: '1) sectoral (against an indefinite number of persons from a certain sector of the economy, 2) personal (against specific individuals or legal entities, as well as anyone engaged in terrorist activities). As of the date of adoption, there were 24 types of sanctions. Additionally, the legislator included the 25th item 'other sanctions', which makes the list of sanctions non-exhaustive' [7].

However, the most effective sanctions are:

1) blocking of assets;

2) suspension of economic and financial obligations;

3) preventing the withdrawal of capital from Ukraine;

4) restriction of trade operations;

5) cancellation or suspension of licences and other permits, including for the use of subsoil;

6) prohibition of participation in privatisation or

procurement procedures, etc.

Since 2014, Ukraine has imposed sanctions on approximately '6,414 individuals (including government officials, politicians, media, business representatives, artists who support aggression) and 2,926 companies. The vast majority of them were applied after the start of Russia's full-scale invasion of Ukraine on 24 February 2022' [8].

On 12 May 2022, the legislation of Ukraine was supplemented with the following types of sanctions: the recovery of assets of persons who economically, politically or ideologically support the aggression of the Russian Federation against Ukraine into the state revenue by the decision of the High Anti-Corruption Court; and a ban on the acquisition of land plots (this introduction is related to the functioning of the land market).

The purpose of the restrictive measures is to recover assets for the state's revenue to receive funds as compensation for the damage caused by the hostilities and to create a mechanism for economic struggle against the aggressor through the persons financing the war by operating in Ukraine.

As it can be seen, sanctions contribute to the formation of a tangible economic motivation for de-escalation of the conflict and its further settlement. They often become one of the main mechanisms for the international community and individual states to respond to military aggression. The imposition of sanctions by some states and international organisations has become one of the key tools to influence the aggressor's behaviour in the international arena.

**Conclusions.** Thus, sanctions are restrictive and preventive measures that allow responding to political events and challenges that contradict the values of the states that apply them. They are usually imposed in stages: first, visa restrictions on a certain list of individuals, blocking their assets, and then sectoral sanctions. Sanctions are usually tightened as a result of an escalation of the conflict and an increased threat to national security.

International sanctions are a tool for realising the national interests of countries and a way to maintain international security and peace. In particular, the sanctions against Russia imposed by Ukraine, the European Union, the United States, and other states and organisations have been somewhat effective and have had an impact on Russian politics and the economy. In particular, they have led to a significant reduction in foreign investment, lower exports and imports, impeded access to the financial market, and contributed to the strengthening of economic and political restrictions on certain officials and businessmen in Russia.

At the same time, it should be noted that in some aspects the effectiveness of sanctions is insufficient, because despite the efforts of many states, the Russian economy continues to function using workarounds, alternative markets and partners with whom it can still successfully cooperate. Therefore, the main role in the implementation of sanctions against Russia should be played by the duration of their application and constant monitoring of their effectiveness, as well as the unity of states and international organisations.

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