

**СТАТЬЯ НОМЕРА  
MAIN FEATURE**

УДК 338.14

DOI: 10.18413/2409-1634-2022-8-1-0-1

**Ваганова О.В.** | **РОССИЯ И САНКЦИИ**

Белгородский государственный национальный исследовательский университет, Россия,  
308015, г. Белгород, ул. Победы, 85

e-mail: [vaganova@bsu.edu.ru](mailto:vaganova@bsu.edu.ru)

**Аннотация.**

Санкционное давление на Россию осуществляется на протяжении последних 100 лет. Но, это не помешало России первой освоить космос, стать ядерной державой, создать оборонно-промышленный комплекс, превосходящий многие государства. В марте 2022 года Россия снова столкнулась с очередными мероприятиями, пытающимися сдержать ее развитие. Страны Евросоюза, США, Австралия, Канада и Новая Зеландия, Тайвань, Южная Корея, Япония объявили санкции России. В работе рассматривается два основных блока санкций: финансовый и торгово-промышленный. Проведен исторический экскурс столетнего санкционного давления и доказывается, что санкции наносят ущерб российской экономике, но не являются губительными для нее. Представлены примеры положительного и отрицательного воздействия санкций, как на российскую промышленность, так и на европейскую. Рассмотрен коллапс на фондовой бирже. Доказано, что российская финансовая инфраструктура будет работать бесперебойно, даже если ее отключат от SWIFT. Мнение автора сводится к тому, что санкции носят больше психологический характер, нежели разрушительный для экономики.

**Ключевые слова:** санкции, мировая экономика, российская экономика, темпы роста, экспортно-импортные операции, эмбарго

**Информация для цитирования:** Ваганова О.В. Россия и санкции // Научный результат. Экономические исследования. 2022. Т.8. № 1. С. 4-11. DOI: 10.18413/2409-1634-2022-8-1-0-1

Oksana V. Vaganova | RUSSIA AND SANCTIONS

Belgorod State National Research University,  
85 Pobedy St., Belgorod, 308015, Russia

e-mail: vaganova@bsu.edu.ru

**Abstract.**

Russia has been under sanctions pressure for the past 100 years. However, this did not prevent Russia from being the first to explore space, becoming a nuclear power, creating a defense and industrial complex surpassing many states. In March 2022, Russia again faced another set of measures trying to hold back its development. The EU countries, the United States, Australia, Canada, and New Zealand, as well as Taiwan, South Korea, and Japan have announced sanctions against Russia. The article considers two main blocks of sanctions, which are financial sanctions and commercial and industrial sanctions. A historical overview of the hundred-year sanctions pressure has been drawn up and it has been proved that sanctions damage the Russian economy but are not fatal for it. Examples of positive and negative impact of sanctions, both on the Russian industry and on the European one, have been presented. The collapse on the stock exchange has been considered. It has been proven that the Russian financial infrastructure will work smoothly even if it is disconnected from SWIFT. The author's opinion is that the sanctions are more psychological in nature than destructive to the economy.

**Key words:** sanctions; world economy; Russian economy; growth rates; export-import operations; embargo

**Information for citation:** Vaganova O.V. "Russia and sanctions", *Research Result. Economic Research*, 8(1), 4-11, DOI: 10.18413/2409-1634-2022-8-1-0-1

**Introduction**

Today is a very difficult time, when the world economy is being transformed, its structure and key players on the world stage are changing. The economic development of many countries is subject to severe fluctuations that could lead the country to fundamentally new positions in the global economic space. It should be noted that these positions can have both positive and negative dynamics. Undoubtedly, this process is influenced by the aggravation of contradictions between different states. Those who had a leading position may gradually fade into the background, thus the states at all costs want to maintain their primacy, using various methods and instruments, including military ones. One of the most popular methods of influence is the sanctions pressure, which is expressed in the ban on the movement of capital, its access to world markets, in limiting export-

import operations, especially for strategically important and high-tech goods. Economic weakening of the state and the imposition of its political will by the dominants is supposed to be the result of the sanctions pressure.

In 2022, Russia faced another sanctions pressure when it recognized the independence of the Luhansk People's Republic and the Donetsk People's Republic. Since then, Russia became the leader in terms of the number of sanctions imposed against it.

**Main part**

**History of sanctions pressure on Russia**

When examining global pressure and its consequences on Russia, it is necessary to start with the fact that sanctions pressure is not new for the Russian economy and has a century of history [Vaganova, 2019].

Таблица 1

ОСНОВНЫЕ ПОКАЗАТЕЛИ ЭКОНОМИКИ РОССИИ

Table 1

Main indicators of the Russian economy

Period of imposition of sanctions, year	Sanctions measures	Basis for imposing sanctions	Consequences for Russia
1917-1920	Commercial and naval blockade	Soviet Government's refusal to pay off debts of the Russian Empire and nationalizations of enterprises owned by foreign capital	Decline in the volume of foreign trade of the RSFSR, which fell almost to zero. (Turnover amounted to 14.4 million rubles. In 1913, this figure was 12.6 billion rubles)
1925-1934	"Gold blockade": gold was no longer accepted from the USSR as payment for imported equipment and technology	Decision of the RSFSR on the monopolization of foreign trade	Mechanism has been developed to replace equipment purchased abroad with domestic one. (The volume of external trade reached 9.1 billion rubles)
1949-1970	Coordinating Committee for Multilateral Export Controls (restrictions on the export of "strategic" goods and technologies to the countries of the Socialist Camp)	Unification of the countries of the Socialist Camp	European and American companies have lost a large sales market (Foreign trade turnover with the USSR fell to 17%)
1974	The USA passed the Jackson-Vanik Amendment. Restriction on trade, government loans and loan guarantees	Legislation adopted by the USSR restricting the freedom of emigration of citizens	
1980	The USA issued an order to use economic measures on the economy of the USSR	Introduction of Soviet troops into Afghanistan	Joint construction of the Urenгой-Pomary-Uzhgorod gas pipeline. Acquisition of high-tech equipment for the oil and gas sector
2014	Prohibition of dual-use goods and technologies from the US and EU countries; Expansion of restrictions for 5 Russian state banks; Prohibition of European structures to provide investment services	Crimea joined the Russian Federation	The import substitution program has been strengthened. The country has achieved food security
2022	Freezing the assets of major companies and banks; Freezing the International Reserves of the Russian Federation; Prohibition of the supply of goods and technology from the USA and EU countries; Ban on the use of foreign information channels in Russia	Recognition of independence of the Luhansk People's Republic and the Donetsk People's Republic	Mechanisms of public-private partnership have been launched. Tax preferences have been determined for the opening of new production facilities. Priority R&D is financed from the federal budget

Источник: составлено автором

In 1917, when the new Soviet state was formed, the countries of Western Europe and America tried to hinder the development of Russia and imposed a commercial and naval blockade. Such behavior of the Entente countries had been dictated by the desire to get payments on debts of the Russian Empire and to return the capital invested in the enterprises that were nationalized. The blockade was unsuccessful on the part of the Entente and was ended in 1920. Some foreign sources claim this blockade had affected the decline in foreign trade, which fell almost to zero. However, if we consider that the entire national economic complex of Soviet Union in those years was destroyed and the state had to build a New Economic Policy (NEP), then we can say that the embargo measures had been untenable.

Since 1925, foreign countries have made a number of attempts to inflict an economic blow on the USSR. They demanded payment for the supplied equipment and new technologies not in monetary units, but in natural products, including wood, grain, oil, gold. Such calculations were made until 1934. In the same years, a financial blockade was introduced, which was crediting the Soviet economy on deliberately unfavorable terms.

After World War II, the situation began to improve, because the Soviet state had had allies that entered the so-called contour of the socialist camp. Ever since, the relations of the USSR began to develop rapidly, the country actively used foreign technology and equipment, and created thousands of new plants and factories. Such economic growth could not fail to interest unfriendly countries, and in 1949 the USA, the United Kingdom, Canada, France, Germany, Australia, Japan, etc., had formed the Coordinating Committee for Multilateral Export Controls (CoCom), which for decades compiled lists of strategic goods and technologies that are not subject to export to the countries of the Socialist Camp.

The impact of sanctions on the economy of the USSR had not become disastrous. USSR government authorities made many efforts to restore and normalize economic re-

lations with the West. In 1952, an International Economic Conference was held in Moscow. It was attended by business representatives, trade unionists, scientists and journalists from several dozen countries. The main issue of the event was an attempt to jointly search for opportunities to develop peaceful cooperation between various political systems through the development of economic ties.

In 2014, after the Crimea joined Russia, restrictions were imposed by the EU and American countries on the supply of dual-use goods to the Russian Federation for enterprises of the military-industrial complex and on the transfer of equipment for the development of deep-sea, Arctic and shale oil fields. Nevertheless, Russia is among the leaders in oil and gas sales. In the same year, a food embargo was introduced on Russia, i.e. a ban on the import of certain agricultural products, raw materials and food from the countries of the European Union, the United States, Australia, Canada, Norway, etc.

For Russia, the embargo contributed to the growth of agricultural production and the food industry. The production of meat, dairy products, and vegetables increased 3, 2.8, and 3.5 times, respectively. All these achievements have reduced import dependence in the agro-food sector and increased the country's food security. Some countries that imposed sanctions against Russia also benefited from the embargo. For example, the Faroe Islands of Denmark have increased the supply of fish products to Russia.

Russia still has a friendly attitude towards economic relations with all countries, and only some are still trying to dictate their terms to it, not realizing that the sanctions imposed against Russia may create the opposite effect.

#### **Current state of the Russian economy**

For some reason, Western countries consider Russia's economy to be weak, thus they have probably started to impose various types of sanctions, believing that they should cause enormous damage to the already not very developed economy. But, according to a number of scientists, including foreign ones,

the Russian economy is in a relatively healthy and stable state.

It is possible to prove the success of the development of the Russian economy by analyzing the main indicators characterizing the

economic situation in the country over the past eight years, starting in 2014, when sanctions were imposed because of Crimea joining the Russian Federation (Table 2).

Таблица 2

ОСНОВНЫЕ ПОКАЗАТЕЛИ РОССИЙСКОЙ ЭКОНОМИКИ

Table 2

Main indicators of the Russian economy

Indicator	2014	2015	2016	2017	2018	2019	2020	2021
GDP, billion rubles	87 170.2	85 450.6	85 616.1	87 179.3	89 626.6	91 596.7	89 138.9	93 372.3
Annual GDP Growth Rate, %	100.7	98.0	100.2	101,8	102.8	102.2	98.3	105.3
GDP per capita, billion rubles	79 030	83 087.4	85 616.1	91 843.2	103 61.7	109 08.3	107 315.3	130 795.3
Inflation Rate, %	11.36	12.91	5.38	2.52	4.27	3.05	4.91	8.39
Interest Rate, %	5.5	12.5	11.0	10.0	7.5	7.5	4.25	4.5
Unemployment Rate, thousand people	3 889	4 263	4 243	3 969	3 658	3 464	4 321	4 231
Wages	32 495	34 030	36 709	39 167	43 724	47 867	51 344	56 545
International Foreign Exchange Reserves, billion US dollars	388.5	370.2	385.3	432.1	466.9	549.8	587.5	630
State Debt, billion rubles	55 794.2	54 355.4	50 002.3	51 211.8	49 827.3	49 156.5	54 848.3	56 702.9

Source: compiled by author based on the materials of the Federal Service for State Statistics (Rosstat). URL: <https://rosstat.gov.ru/>.

Examining the data in the table, we observe that the Russian economy has been operating at full capacity over the past eight years. Its economic growth averages 4.1%. Slight fluctuations were seen in 2020 due to the introduction of some restrictions related to COVID-19, but already in 2021, GDP growth rates are gaining strength again. This positive trend can be explained by rapid credit growth, investment activity on the demand side, high household consumption, return to the full-fledged retail market, and the functioning of the transport network. The construction industry has had a positive impact on the growth rate of the Russian economy, which has become more active due to the implementation of state concessional lending programs and the application of direct state support

measures. All sectors of the economy have shown positive dynamics, surpassing the pre-pandemic indicators.

It is possible to change the role of Russia in global markets and to acquire a new quality of development. To do this, it is necessary to increase the share of investment in GDP to 25% by 2025, which can be obtained from both own funds of enterprises and funds from the federal and regional budgets. In the face of uncertainty, external pressure and tightening restrictions in international financial markets, the role of foreign business investment is minimized, because it can be withdrawn from the economy at any moment, while public investment comes to the fore. Therefore, the Development Fund created by the state, which in 2018 was equal to 3.5 tril-

lion rubles, effectively influences economic processes in the country and contributes to the development of Russian entrepreneurship.

In terms of world economic trends, the economy is growing at a rate of 3.3%, according to the Organization for Economic Cooperation and Development (OECD) [World economy, 2017]. It is obvious that the structural elements of the world economy are developing at different rates. The average growth of advanced economies is 6.1%, while developing economies have a lower growth rate of 3.1%, and transition economies are even lower at 2.2%. Consequently, Russia, with an economic growth rate of 4.1%, is a worthy partner in the world market.

### **Sanctions pressure on Russia**

Today, Russia is facing perhaps the heaviest sanctions in modern Russian history, both in terms of the scale of economic restrictions and in terms of the number of countries that have joined the sanctions pressure. World economic leaders have long used constraining instruments for the development of other countries, exposing them to the risks related to increased protectionism, financial vulnerability, potential energy price volatility, and imposing economic sanctions.

Conventionally, economic sanctions can be divided into two main blocks. The first one is a ban on capital movements, i.e. limiting the access of domestic credit institutions to the European capital market. The second is a restriction of export-import transactions, limiting trade and production interaction with a number of sectors of the Russian economy, which include aviation, military-industrial, and fuel and energy complexes.

In 2014, according to a number of Russian scientists, the losses of the Russian economy from the sanctions regime amounted to 258 billion US dollars per year. It is too early to calculate a loss from today's sanctions, but we can assume that they will not have a devastating impact on the Russian economy, as in previous periods. Russia can acquire positive aspects for its development, and, as the Presi-

dent of the Russian Federation noted, get additional competencies.

*Financial block of sanctions.* This block includes sanctions against public debt, freezing the assets of major companies and banks. However, such restrictions will not place a heavy burden on the Russian economy, because it has its own resources. There are accumulated funds in the amount of almost 40 trillion rubles due to the successful functioning of the domestic industry, as well as the savings of Russian citizens. Moreover, Russia took advantage of the economic and political situation and earned about 20 billion US dollars on the stock exchange in a few days at the beginning of March 2022. The Government of the Russian Federation allocated funds from the Russian National Welfare Fund (NWF) and bought out about 30% of the shares of Russian monopolies. This was facilitated by the collapse of Russia's energy companies, caused by the uncertain political situation in Russia and Ukraine. Max Otte, a well-known economist, financial expert and writer, in an interview with DWN notes that the tense military-political situation between Russia and Ukraine is turning the stock market upside down, now there are many transactions on the market [Otte, M. Der Krieg wirbelt..., 2022]. Shareholders tried to sell their shares at any price, as long as they did not depreciate completely. As a result, a part of the shares of energy companies now is owned by Russian investors, not foreign (American or European) ones. Consequently, the bulk of the oil and gas revenues will fall into the Russian treasury, and not leak out of the country or settle off-shore as before. Replenishment of the budget will have a positive impact on the financing of social sectors such as education, medicine, culture, sports, social security.

As for the disconnection from the SWIFT international interbank payment system, it should be noted that the Russian financial infrastructure will work uninterruptedly through the domestic alternative System for Transfer of Financial Messages (SPFS) which started to operate in December 2020. Besides that, such types of money transfers as elec-

tronic wallets of Russian operators (QIWI, UMoney) continue their functioning. Thus, the disconnection from SWIFT will not affect or have a minimal impact on domestic transfers of individuals. But how foreign partners will pay for oil, gas and fertilizers bought in our country, is a big question.

*The second sanctions block includes restrictions on export-import operations.* Sanctioners plan to significantly restrict access to technical solutions necessary not only for the development of the defense industry, but also for strategically important industries such as petrochemical production, automobile and aircraft industries, railway and space industries, information and communication technology (ICT). But are these measures really that effective?

Many important companies in the global market are suspending their activities, rather than refusing to cooperate and operate in Russia completely. For example, the EU has banned the operation of its aircraft and closed the skies for Russia. In response to this step, the Russian side banned flights over its country. In this situation, European and British airlines incur a loss of almost 0.5 million US dollars daily [Closed Skies: ..., 2022], flying to Asia not through the Trans-Siberian route, but through the southern corridor, making a huge detour. But the American Boeing did not impose such sanctions and will continue to operate, taking market share and profit from Europeans.

This type of sanction will have a positive impact for the Russian economy, as well as for Boeing. The aviation and aircraft manufacturing industries will receive an unprecedented impetus for their development. Instead of purchasing or leasing foreign aircraft, domestic manufacturers will be supported to expand the production of civil aircraft and aircraft engines. The number of domestic flights will be increased.

If we consider the automotive industry, then by banning the import of European cars into Russia, the EU countries are losing a huge Russian market and ruining their indus-

try, giving a great opportunity to develop the Russian automotive industry.

While exploring the situation on the commodity market, Russia is again in a better position than the Western countries. It is the largest supplier of energy, titanium and palladium to the world market. Therefore, obviously, it can dictate own terms of delivery. At the beginning of March 2022 there has been a rise in gas prices in Europe from 900 to 3,800, an increase in oil prices, which amount to more than 100 US dollars per barrel. Describing the financial block of sanctions, it has been mentioned that the main part of the revenue from the oil and gas industry will go to the treasury of Russia, and not settle offshore. Therefore, Russian citizens will benefit from the sanctions, although they will suffer some inconvenience, for example, in the information and communication space. But here there is the second side of the coin, after having banned the broadcasting of Russian channels on the territory of Europe, a ban on the use of foreign information channels in Russia was introduced. This ban is not palpable for the Russians but is painful for the sanctioners. They themselves beat out the trump card and create the prerequisites for stagnation of their economies.

### Conclusion

Sanctions pressure is more of a psychological nature than an economic one. It is not profitable to withdraw business from Russia for the majority of large foreign companies. Foreign economic ties are easy to break and take years to recover. Neither business nor the Russian authorities have the goal of weakening their economic position in the global space, so common sense must prevail. Making predictions in a tense military-political situation is difficult and not grateful, but in reality, Europe will soon abandon a number of sanctions, because otherwise the European economy will face, if not a catastrophe, then stagnation in many economic sectors. There may be a stagnation of production and trade for a sufficiently long period of time, due to the displacement of European companies

from the market by American ones. Europe could lose exports of fertilizers and grains from Russia and Ukraine, an increase in the cost of gas would hit European industry, making European goods expensive and unprofitable, and banning specific products would have a double impact on the economies of producer countries. All these factors will negatively affect the competitiveness of the prosperous European economies and allow the Russian economy to reach a new leading level of development.

### Список литературы

1. Ваганова О. В., 2019. Влияние экономических санкций на инновационное развитие России // Научные ведомости Белгородского государственного университета. Серия: Экономика. Информатика. 2019. Т. 46. № 1: 21-30. DOI 10.18413/2411-3808-2019-46-1-21-30.
2. Закрытое небо: чем обернется для Британии запрет на полеты через Россию Режим доступа: <https://smotrim.ru/article/2682239>. (Дата обращения: 1.02.2022).
3. Мировая экономика. Рост мировой экономики ускорится до 3,6% в 2017 г. Режим доступа: <http://iee.org.ua/ru/prognoz/5547/>. дата обращения: 1.02.2022).
4. Министерство экономического развития РФ, 2021 год. «Стратегия социально-экономического развития Российской Федерации с низким уровнем выбросов парниковых газов до 2050 года». Распоряжение Правительства Российской Федерации от 29 октября 2021 г. № 3052-р, г. Москва.
5. Федеральная служба государственной статистики, 2022. Режим доступа: <https://rosstat.gov.ru/>. (Дата обращения: 1.02.2022).
6. Max Otte: Der Krieg wirbelt die Börse durcheinander – jetzt sind viele Schnäppchen auf dem Markt 12.03.2022. Режим доступа: <https://deutsche-wirtschafts-nachrichten.de/518040> (Дата обращения: 1.02.2022).
2. Federal State Statistics Service, 2022. Access mode: <https://rosstat.gov.ru/>. (Date of request: 1.02.2022). (in Russian)
3. Otte, M. Der Krieg wirbelt die Börse durcheinander – jetzt sind viele Schnäppchen auf dem Markt 12.03.2022. Drostup mode: <https://deutsche-wirtschafts-nachrichten.de/518040> (Date of application: 1.02.2022).
4. Ministry of Economic Development of the Russian Federation, 2021. "Strategy of socio-economic development of the Russian Federation with low greenhouse gas emissions until 2050". Decree of the Government of the Russian Federation No. 3052-r Vaganova O. V., 2019. The impact of economic sanctions on the innovative development of Russia // Scientific Bulletin of Belgorod State University. Series: Economics. Computer science. 2019. Vol. 46. No. 1: 21-30. DOI 10.18413/2411-3808-2019-46-1-21-30 of October 29, 2021, Moscow.
5. Vaganova O. V., 2019. The impact of economic sanctions on the innovative development of Russia // Scientific Bulletin of Belgorod State University. Series: Economics. Computer science. 2019. Vol. 46. No. 1: 21-30. DOI 10.18413/2411-3808-2019-46-1-21-30.
6. World economy. Global economic growth will accelerate to 3.6% in 2017. Access mode: <http://iee.org.ua/ru/prognoz/5547/> /. date of request: 1.02.2022).

### Информация о конфликте интересов:

авторы не имеют конфликта интересов для декларации.

**Conflicts of Interest:** the author has no conflict of interest to declare.

**Ваганова О.В.**, профессор, доктор экономических наук, заведующий кафедрой инновационной экономики и финансов Института экономики и управления, НИУ «БелГУ», (г. Белгород, Россия).

**Oksana V. Vaganova**, Professor, Doctor of Economic Sciences, Head of the Department of Innovative Economy and Finance, Institute of Economy and Management, Belgorod State National Research University (Belgorod, Russia)