

Europe's Anti-Russia Sanctions Result in Extensive Economic Losses and Growing Tensions with Russia

By [Strategic Culture Foundation](#)

Global Research, December 14, 2020

[Strategic Culture Foundation](#) 11 December
2020

Region: [Europe](#), [Russia and FSU](#)

Theme: [History](#)

New data out this week indicates that the European Union has suffered aggregate economic losses amounting to over €120 billion due to its policy of imposing sanctions against Russia. That's according to figures [released](#) by the Dusseldorf Chamber of Commerce and Industry.

Yet European leaders at an EU summit this week again called for the [extension](#) of sanctions on Russia, which will roll on into the middle of next year and probably beyond that date. This lockstep action by the bloc is only leading to more tensions with Russia and taking a political direction to nowhere except more conflict. Those EU sanctions were first imposed in July 2014 over dubious allegations of Russia's malign involvement in the Ukrainian conflict. Moscow has rightfully reciprocated with counter-sanctions on European exports of agriculture and other goods.

The German Chamber of Commerce and Industry estimates that the entire stand-off has hit EU economies with losses of €21 billion every year. The biggest loser is Germany's economy which forfeits nearly €5.5 billion a year in bilateral trade with Russia.

Accumulated over six years since 2014 the EU's sanctions policy against Russia has resulted in a staggering total loss of over €120 billion. And counting.

To put that figure into some perspective, it would be comparable to the combined annual military budgets of Europe's three biggest economies: Germany, Britain and France.

Or to put it another way, this week the European leaders agreed on a landmark stimulus package worth €1.8 trillion for the 27-member bloc to recover from the coronavirus pandemic. The economic loss to the EU from sanctions on Russia is of the order of 10 per cent of that record stimulus effort.

It is therefore mind-shuddering why the European Union persists in inflicting such untold damage to its own economy through its policy towards Russia.

The EU claims that sanctions are being extended because of the lack of progress in peace negotiations over the Ukraine crisis. Brussels is seeking to blame Moscow for that ongoing frozen conflict, oblivious to the fact that Russia is not a party to the conflict. It is a member of the so-called Normandy Format overseeing the Minsk Peace Accord signed in 2015. Germany and France are also members of the Normandy group. The group has not met since one year ago. So, why is Russia being singled out as the sole responsible for lack of progress in settling the Ukraine conflict?

Secondly, the Ukraine crisis was instigated by a coup d'état against the elected President, Viktor Yanukovich, in February 2014. The coup was orchestrated by the United States and European allies, which ushered in an ultranationalist regime in Kiev with disturbing links to Neo-Nazi factions. Hostility towards Russian-speaking communities in the Ukraine then led to the Crimean referendum in March 2014 appealing for reunification with Russia. It is simply preposterous and cynical for the European Union to blame Russia for subsequent turmoil when the EU is itself directly complicit in fomenting the crisis.

In any case, rigidly applying sanctions is counterproductive to a diplomatic solution. Mutual dialogue is precluded by a policy of recrimination and scapegoating.

The EU sanctions policy is self-defeating and suffused with contradictions. It imposes measures against Russia with seeming insouciance about the huge damage being done to EU businesses, workers and farmers, and it does this without any clear justification. Yet this week EU leaders led by Germany [refused](#) to impose sectoral sanctions against Turkey in spite of repeated calls by EU members Greece and Cyprus for such measures as a means of defending their territorial integrity from Turkey's aggressive gas exploration in the East Mediterranean. So here we have EU members protesting against threats to their sovereignty from Turkey; yet the EU leaders show little resolve to defend the bloc's external southern borders by taking a tough sanctions line towards Ankara.

There is evidently a strange double-think when one compares the EU's gung-ho attitude towards Russia over a matter in Ukraine which is not even part of the EU and a matter that is highly contested in terms of the allegations being made against Russia.

How to explain such an irrational, anti-Russia policy by the European Union?

One has to conclude that the EU is slavishly following a policy determined by the United States. The US has imposed its own bilateral sanctions against Russia over the Ukraine, as well as many other equally dubious claims, such as alleged electoral interference. The Europeans are thus deferring to Washington's foreign policy of hostility towards Moscow, even though the economic losses felt by the Americans are negligible compared with those of Europe due to the latter's geographic proximity and traditionally much greater trading relations with its continental neighbor.

Russia's Foreign Minister Sergei Lavrov [noted](#) this week that the European Union's policy is "centered on the United States". Lavrov lamented that the EU under current leadership shows no sign of acting independently from Washington. In effect, the European bloc is a vassal under American tutelage.

Ironically, the antagonism towards Russia from the West is due to Russia's demonstrative independence.

Says Lavrov in a separate [interview](#): "The West's awareness that Russia is an independent power has had a cumulative effect. Russia will always prioritize its national interests. It is always ready to harmonize them candidly and equitably with the national interests of any other countries based on international law, but it will never be under someone's thumb."

The Russian top diplomat added: "The desire to score propaganda points has dominated the West's foreign policy for a long time, while overlooking the essence of the problems that need a solution in the interests of the peoples of the respective regions."

A psychiatrist might opine that European self-harming, irrational antagonism towards Russia – while constantly appeasing an American bully – is a form of self-loathing. The EU's political class resent Russia because the latter is a constant reminder of the independence and integrity that they are so abjectly deficient in.

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