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## **As Crimea Passes Two Years as Part of Russia, Time to Negotiate Away Sanctions**

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Two years ago Russia detached Crimea from Ukraine. Since then the Western allies have huffed and puffed while imposing economic sanctions, but to little effect. Although Russia's economy has suffered, Vladimir Putin remains popular. Most important, Crimea just celebrated the second anniversary of its switch, with construction planned on a bridge to link the territory to southern Russia. No one believes Crimea, Russian until six decades ago, is going back to Ukraine.

Yet the European Union recently called on other countries to join its ineffective boycott. Declared the European Council, one of the EU's multiple governing bodies: "The European Union remains committed to fully implementing its non-recognition policy, including through restrictive measures," and "calls again on U.N. member states to consider similar non-recognition measures."

The EU bars residents from financing or buying firms located in Crimea. The Europeans (and U.S.) also apply other, less severe restrictions on commerce with the rest of Russia. Although America's leading Asian allies have joined to penalize Moscow, most countries, including China, India and Brazil, have avoided the controversy. The vast majority of developing states have little trade with Russia and even less influence over its decisions. They aren't going to declare economic war on a faraway nation which has done nothing against them.

Although Washington, with less commerce at stake, remains among the most fervent advocates of sanctions, Europe is divided over the issue. Many Europeans recognized that Russia's activities in Ukraine were all about Ukraine, not them, and saw no reason to penalize themselves in the midst of economic hard times in order to punish the Putin government.

In early March the EU extended measures targeting individuals and companies close to Putin with asset freezes and travel bans, but opposition emerged to routine renewal in July of restrictions on Russia's banking, energy, and military industries. Italy's Foreign Minister Paolo Gentiloni announced: "We cannot take for granted any decision at this stage."

Similarly, argued Hungarian Foreign Minister Pere Szijjarto, renewal "cannot be automatic" and must "be decided at the highest level." He added: "You cannot decide on sanctions by sweeping the issues under the carpet." Also skeptical of continued economic war are Cyprus and Greece. Moreover, farmers across Europe, suffering from retaliatory Russian measures, recently mounted protests in Brussels over lost trade.

The EU's High Representative for Foreign Affairs, Federica Mogherini backs continued sanctions, but last week hosted a gathering of foreign ministers of member states to discuss general policy toward Moscow. The issue almost certainly will end up on the agenda of June's EU summit.

Sanctions supporters insist that Russia more fully comply with the Minsk peace process and end support for the separatist campaign in Ukraine's east. "Today Russia faces a choice between the continuation of economically damaging sanctions and fully meeting its obligations under Minsk," contended Secretary of State John Kerry.

Yet the armed conflict has ebbed, political crisis fills Kiev, and some Ukrainians aren't sure they want the separatists back. Indeed, Oksana Syroyid, Deputy Speaker of Ukraine's Rada, has blocked passage of a constitutional amendment providing autonomy for the Donbas region, explaining: "We need to stop thinking of how to counter Putin, or how to please all our partners." Brussels faces the unpleasant possibility of Russia fulfilling its responsibilities while Ukraine breaks the deal. "Both sides need to perform," complained Germany Foreign Minister Frank-Walter Steinmeier.

Targeted sanctions have a certain appeal, hitting named individuals and concerns seen as consorting with evil. However, there is little evidence that they are more effective than broader measures. The latter have hurt the Russian public without turning them against their government. Moreover, Western penalties have discouraged, even reversed, liberalization of the Russian economy, as businesses have grown even more dependent on government support. Finally, people in allied states have suffered from lost markets due to Western sanctions and Russian retaliation.

Which means the Europeans, in particular, have spent much to achieve nothing. The belief that imposing sanctions a little longer will force Moscow to capitulate reflects the triumph of hope over experience. The U.S. and EU are reinforcing failed policies, hoping that doing more of the same eventually will yield different results.

Rather than reflexively continue sanctions, the Western states should rethink their policy toward Russia. Vladimir Putin isn't a nice guy, but that hardly sets him apart. Russian democracy may be an oxymoron, but then, lack of civil and political rights never stopped Washington from backing Egypt, aiding Pakistan, or embracing Saudi Arabia. The Europeans have been similarly practical.

Geopolitically Ukraine matters far more to Moscow than to Europe or America: that's a practical fact, not a moral judgment. Russia always will spend and risk more to protect its perceived security interests next door. And the West did much to challenge Moscow: encourage a "color revolution" in Kiev, pledge to include Ukraine in NATO, press Ukrainians to choose West over East economically, and encourage a street revolt against a democratically elected president. That still didn't justify Russia's brutal actions to dismember its neighbor, but Putin acted predictably and rationally. He is neither Hitler nor Stalin reincarnated, but a traditional Tsar.

Indeed, Moscow acted like a pre-1914 great power, taking limited forceful steps to assert its interests and secure its borders. Russia's treatment of Ukraine holds few implications for Europe. Putin has never demonstrated a desire to swallow non-Russian peoples, which explains why he

did not move on the rest of Ukraine, as predicted by some alarmists. He prefers Kiev independent, though weak and harmless, rather than part of Russia, convulsed by violent opposition to annexation. Moscow isn't going to invade the already harmless Baltic States or the highly independent Poles, let alone leading European nations further west. Why would he choose war for territories which would cause his government indigestion?

Thus, the allies should negotiate their way out of the sanctions box in which they are stuck. They could drop economic war, promise to stop expanding NATO along Russia's border (most importantly, to Ukraine), reduce military support for Kiev, and encourage Ukraine to look both ways economically. Moscow could drop support for Ukrainian separatists, cooperate with restructuring Kiev's unsustainable debts, accept Ukrainian economic ties with the EU, hold an internationally monitored status referendum in Crimea, and accept whatever outcomes emerge from the messy Ukrainian political system.

Kiev would have to recognize that it won't be part of the Western bloc. Of course, Ukraine is independent and free to decide its own future. But it is in a bad neighborhood—where it always has been, part of the Russian Empire or the Soviet Union for most of its history. The Ukrainian people should choose their own course while fully aware that no one in the West is prepared to initiate all-out economic war, let alone military conflict, with nuclear-armed Russia over Kiev's status.

An appropriate model might be Moscow's neighbor Finland during the Cold War. The Finns maintained a prosperous democracy but avoided foreign alignments and got along with the Soviet Union, which could have swallowed the country in the aftermath of World War II. So-called "Finlandization" wasn't the best outcome. But it was the best achievable result.

The U.S. and Europe shouldn't allow the perfect to be the enemy of the good in policy toward Russia. Maintaining economic sanctions won't cause Moscow to transform itself politically, abandon historic security interests, acquiesce in Ukraine's western turn, or disgorge Crimea. So what are the penalties supposed to achieve? At most they act as a moral statement, but one better made through other means.

At the same time, there are many important issues, including North Korea, Iran, Syria, China, and Afghanistan, in which the West would benefit from Russian cooperation if not assistance. Two years of battering Russia economically with no result is enough. There appears to be growing awareness in some European nations, at least, that it's time to make a deal with Moscow and move on. Brussels and Washington should reach the same conclusion.

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