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«Relations between Russia and Italy under the conditions of the new economic policy of the EU in the period from 2014 until the present time»

Master's Dissertation

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1. Introduction

At the present time, relations between the Russian Federation and some Western countries, including member states of the European Union, the United States of America, are in a critical condition. Moving away from partnership in various fields, including active cooperation in the economic sphere, several countries suspended existing initiatives and introduced trade restrictions due to the cooling in relations. The result has been the decrease in trade turnover, the decline in confidence and the information war.

This situation is the consequence of the events in Ukraine in 2014, which led Western countries to apply restrictive measures towards Russia, which can be defined by the term «sanctions». Particularly, in March 2014, at a referendum held in Crimea in connection with the unrest in Ukraine, the population voted for the entry of the peninsula into the Russian Federation, which happened later. The Western countries, led by the U.S. and the EU, considered the referendum to be illegitimate and condemned Russia of violation of the sovereignty and territorial integrity of Ukraine. The participants in the conflict are clear and firm in their positions and they are unlikely to change their points of view, which prevents the parties from achieving reconciliation. In response to the sanctions of the Western states, Russia applied retaliatory measures, imposing embargo on the food products of a number of countries.

The term «sanction» has many meanings. International sanctions could be defined as non-military measures of a restrictive nature applied by a single country, group of countries or the international community represented by the United Nations to representatives of the country, companies of a country, institutions of a country, country or group of countries, usually with the aim of changing the political behavior of an actor, maintaining or restoring state of peace. Economic sanctions of various kinds are restrictions on free trade between countries, usually leading to economic losses.

In relation to Russia, the group sanctions, which were applied, were not approved by the UN. The USA initiated the policy of sanctions, urging its allies to join. Unilateral actions, interference in the internal affairs of states, desire to dominate the system of international relations became a part of the American foreign activity, what was manifested in the anti-Russian sanctions along with the corresponding rhetoric.

The «new economic policy of the European Union» refers to the sanction policy of the EU, which was launched in March 2014 against Russia, including various measures in a greater degree of economic direction, in particular, the sanction of individual and sectoral character. Individual sanctions are aimed at persons, including those responsible, in the opinion of the EU, for escalating the situation in Crimea, comprising measures of restricting the movement and freezing of bank assets. Sectoral sanctions have affected the Russian financial, defense and oil production structures, including restrictions on financing in the European banks, arms embargo and the export of weapons from Russia, ban on the importation of dual-use goods and technologies into Russia, and provision of innovative technologies for the oil industry.

The dissertation examines and analyzes the relations between Russia and Italy in the context of the policy of sanctions of the European Union, as well as during the operation of the counter-measures introduced

by the Russian side. Many politicians from the Russian and Italian sides treated relations between countries as privileged and strategic¹². They are based on a long history, interweaving of pragmatic economic and political interests, cultural and historical traditions and mutual sympathy of the two peoples. During the period of sanctions, bilateral relations have been preserved, having lost part of intensity and focus on further development. Nevertheless, contacts at the interpersonal level of politicians from both sides testify of the importance of cooperation and interaction for Russia and Italy. Italy is a member state of the EU and recognizes the adherence to common European values, Euro-Atlanticism, therefore, the policy pursued by the EU towards Russia is an important determinant for the foreign policy of this state in this direction. Contrariwise, Italy can influence the policy of the EU, express its opinion on the sanctions against Russia.

The selected period of the study of relations between Russia and Italy from 2014 to the present time corresponds to a period, in which the European Union's sanctions against the Russian Federation are in effect.

The theme of the thesis is highly relevant and topical, since the relations between the important elements of the system of international relations (not only between Russia and Italy, but also between Russia and the West as a whole) are considered and studied in the conditions of the tension between them that poses an element of threat to the peaceful development of the world system. In addition, the action of restrictive measures has not ended yet, and it is possible to make assumptions about the further development of the conflict.

The Russian-Italian relations during the period of the EU sanctions against Russia were analyzed and covered in the works of the Russian scientists and researchers, such as Yu. L. Agapov, N. K. Arbatova, O. N. Barabanov, M. N. Dudin, T. V. Zonova, Yu. D. Kvashin, S. E. Knyazeva, A. V. Kuznetsov, N. V. Lyasnikov, V. A. Olenchenko, M. O. Shibkova, and foreign researchers, in particular, I. Bond, M. David, A. Ferrari, D. Gros, F. Mustilli, C. Odendahl, J. Rankin and others.

Yu. L. Agapov, M. N. Dudin and N. V. Lyasnikov in the article note that the Russian-Italian relations were characterized by the strengthening of political and economic ties, openness, but the geopolitical crisis reduced the level of intensity of relations between the two states. The authors see opportunities in the crisis and stress the need to transform the Russian economic relations with Italy through a transition from the supply of energy resources to an increase in tourist exchanges³. The collection of articles on the results of the conference of the Institute of World Economy and International Relations of the Russian Academy of Sciences contains a number of articles examining various components of the Russian-Italian relations within the framework of present restrictive measures in the economy. Thus, N. K. Arbatova believes that the Italian relations with Russia, the largest neighbor of the EU, have traditionally been considered by the Italian state as one of the opportunities to increase its importance in international affairs. The researcher also believes that the sanctions policy is

¹ Foreign Minister Sergey Lavrov's interview with Italian media, Moscow, December 9, 2015. / The Ministry of Foreign Affairs of the Russian Federation. [Electronic source] URL: <a href="http://www.mid.ru/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content/id/1968020?p_p_id=101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw languageId=en_GB (date of access: 04.03.2017).

² Zonova T. V. Positive agenda of the Russian-Italian meeting. / Russian Foreign Affairs Council. 2017. [Electronic source] URL: http://old.russiancouncil.ru/inner/?id 4=8972#top-content (date of access: 15.04.2017).

³ Agapov Yu. L., Dudin M. N., Lyasnikov N. V. Social-economic aspects of development of Italy: challenges and opportunities of cooperation with the world community. / MIR (Modernization, Innovations, Development). -2016. -2016. -2016.

unprofitable neither for the Italian government, nor for the Italian business, and that the settlement of the crisis in Ukraine represents one of the priorities of the Italian leadership⁴. O. N. Barabanov and M. O. Shibkova examine the essence, position and role of the «League of the North» party in Italy, note the possibility to consider it as a conductor of the Russian interests in the European Union. The authors also argue that this party refers negatively to the deterioration of relations between Russia and the EU that began in connection with the Ukrainian events and the subsequent anti-Russian sanctions⁵. T. V. Zonova in the textbook «History of Foreign Policy of Italy» examines the historical development of the foreign policy of the Italian state, reveals the features and main stages of the Russian-Italian relations, analyzes in detail its current state⁶. T. V. Zonova also notes that the Italian leadership is convinced of the need to maintain a permanent dialogue with Russia⁷, strives to maintain and restore confidence in the European continent, emphasizes the strategic character of the interaction between the countries and the closeness of positions on a number of key issues in world politics. mentions the interest of the Russian Federation in restoring relations with the European Union⁸. Yu. D. Kvashin considers the energy cooperation between Russia and Italy under the sanctions and concludes that the present conflict between the Russian side and the Western countries has become a serious challenge for the Russian energy cooperation with the EU as a whole and with its individual members, there is currently no opportunity to expand and develop a partnership between Russia and Italy in the energy sector, and the task of the Russian Federation remains the preservation of what has been achieved⁹. S. E. Knyazeva explores the topic of values and interests within the framework of the Russian-Italian cooperation and notices that even in 2014, in the period of sharp deterioration of relations between Russia and the EU, the position of the Italian government on the issue of Russia's foreign policy course can be called one of the most loval among the member countries of the European Union¹⁰. A. V. Kuznetsov declares that cooperation between Russia and Italy in outer space continues even in view of the existing restrictions due to the policy of sanctions, believes that this policy is not an excuse for refusing to look for new directions, and in the conditions of deterioration of relations of Russia with traditional partners, such as Germany, Italy has a chance to strengthen trade relations with Russia¹¹. V. A. Olenchenko refers to the question of the High Representative for Foreign Affairs and Security Policy of the European Union F. Mogherini's approach to the Ukrainian crisis, the EU's relations with Russia, states that the Italian politician

⁴ Arbatova N. K. Russian-Italian Relations in the context of foreign policy of Italy. // Italy at the beginning of the 21st century / A. V. Avilova, Yu. D. Kvashnin, eds. – M., IMEMO, 2015. – Pp. 120-127.

⁵ Barabanov O. N., Shibkova M. O. Euroscepticism in Italy: evolution of North League political program. // Vestnik MGIMO-University. – 2015. – № 5. – Pp. 99-107.

⁶ Zonova T. V. History of foreign policy of Italy: textbook. – M.: Mezhdunarodnyue Otnosheniya, 2016. – 352 p.

 $^{^7}$ Zonova T. V. Russia and Italy: suggestions on the development of partnership. Analytical note. / Russian Foreign Affairs Council. -2014.-22 p.

⁸ Zonova T. V. Positive agenda of the Russian-Italian meeting. / Russian Foreign Affairs Council. 2017. [Electronic source] URL: http://old.russiancouncil.ru/inner/?id_4=8972#top-content (date of access: 20.05.2017).

⁹ Kvashin Yu. D. Perspectives of energy cooperation between Russia and Italy in the new international political environment. // Italy at the beginning of the 21st century / A. V. Avilova, Yu. D. Kvashnin, eds. – M., IMEMO, 2015. – Pp. 142-148.

¹⁰ Knyazeva S. E. Values and interests in Russian-Italian relations. // Italy at the beginning of the 21st century / A. V. Avilova, Yu. D. Kvashnin, eds. – M., IMEMO, 2015. – Pp. 128-141.

¹¹ Kuznetsov A. V. Russia and Italy: a truly mutual interest in trade and investments? // Italy at the beginning of the 21st century / A. V. Avilova, Yu. D. Kvashnin, eds. – M., IMEMO, 2015. – Pp. 113-119.

takes a balanced position on this issue, calls the sides for mediation, restraint and negotiation process¹². I. Bond, C. Odendahl and J. Rankin note that some countries within the European Union, including Italy, Austria, Cyprus, France, Greece and others desire the lifting of sanctions against Russia. Authors also stress that the the zone of euro still shows its weakness and Italy is not intended to decrease its economic opportunities and indicators by applying the policy of sanctions¹³. Foreign policy analyst M. David states that Italy had a close relations with Russia even with the existence of circumstance that it has not always met the national interest of Italy. The researcher claims that Italy with Greece, Hungary, Slovakia, Austria and the Czech Republic are those country-members of the EU that want the sanctions to be relaxed or lifted 14. The Italian Institute for International Political Studies (ISPI) provided a research on the consideration of changing of the Russian behaviour in the international arena after the Ukrainian events in 2014, as regards the relations of Russia with the EU. China and other actors. The work of the think tank considers the relations between Russia and the EU in general, and not separetely the Russian-Italian relations. However, since Italy is the member of the EU, it follows the European Union's foreign policy comprising the direction of Russia¹⁵. D. Gros and F. Mustilli examine the economic impact of the anti-Russian sanctions. They notice that the share of import by Russia from Italy and other significant European actors in economic terms has not expecienced a significant change since the start of the policy of sanctions¹⁶.

The object of study of this dissertation is the state and level of development of the bilateral relations between Russia and Italy.

The subject is the change in the state of relations between the Russian Federation and the Italian Republic during the period of the Western anti-Russian sanctions and Russian counter-sanctions.

The research question can be formulated as follows: «Did sanctions and counter-sanctions significantly alter the relations between Russia and Western countries (including the EU as a whole, individual EU countries, the United States) in the period from the moment they were introduced in 2014 until the present time?»

The proposed hypothesis is presented as follows: with the existing positive and negative consequences that the participants experience in connection with the introduction of sanctions, it can be argued that positive consequences, including in the form of emerging opportunities, like business and economic, prevail over the negative ones from the point of view of their importance for individual participants in the relations (Russia, the EU, Italy).

¹² Olenchenko V. A. Federica Mogherini and expectations of new approaches to the Ukrainian question. // Italy at the beginning of the 21st century / A. V. Avilova, Yu. D. Kvashnin, eds. – M., IMEMO, 2015. – Pp. 149-153.

¹³ Bond I., Odendahl C., Rankin J. Frozen: The politics and economics of sanctions against Russia. // Centre for European Reform. – 2015. – P. 22.

¹⁴ David M. Member states' relations with Russia: solidarity and spoilers. // Avoiding a new «Cold War»: The future of EU-Russia relations in the context of the Ukraine crisis. Special report. LSE. – 2016. – Pp. 33-40.

¹⁵ Putin's Russia: really back? Report of ISPI. / Ed. By A. Ferrari. ISPI. 2016. [Electronic source] URL: http://www.ispionline.it/it/articoli/articolo/russia-eurasia/putins-russia-really-back-rapporto-ispi-15515 (date of access: 22.04.2017).

¹⁶ Gros D., Mustilli F. The economic impact of sanctions against Russia: much ado about very little. // CEPS commentary. – Brussels, 2015. – 4 p.

The aim of the dissertation is to research and cover the impact of restrictive measures on relations between Russia and Italy, Russia and the EU in various spheres of actors' interaction, involving the trade.

To achieve this aim, it is necessary to perform a number of tasks:

- study the concept, types, objectives, history of sanctions, their impact on relations between countries;
- determine the historical preconditions for the emergence of the anti-Russian sanctions and the reasons that led to their use by the parties to the conflict;
- consider the anti-Russian sanctions in terms of the objectives, the targets at which they are aimed and the measures that are specifically applied in accordance with the introduction of sanctions and the regime of restricting economic relations;
- explore the historical development of the Russian-Italian relations and highlight key characteristics;
- identify the main areas of relations between the two countries in the economic sphere:
- define the main spheres of relations between the two countries in other areas;
- present and analyze the positions of the main parties of the conflict regarding the sanctions
 policy, including statements of the main political representatives and experts;
- reveal and analyze the impact of sanctions on the relations between participants of limitation
 of the economic activity, identify positive and negative aspects of the influence;
- present possible options of the development of the situation.

The dissertation uses scientific and special methods as comparative-historical, dialectical, structural-functional, institutional, as well as general methods (induction and deduction, analysis and synthesis, combination of historical and logical analysis, etc.) were used in this dissertation.

To identify the perception of the representatives of Russia and Italy of the impact of sanction policies, relations between Russia and Italy, and their changes due to the deterioration of relations in view of the events in Ukraine, was conducted a survey of 50 respondents from both countries, the results of which were used in the work (Appendix N_2 1, Appendix N_2 2, Appendix N_2 3).

For identifying the perception of the Russian Federation and the anti-Russian sanctions by the political representatives of states the dissertation uses the articles from the newspapers, journals and other means of the media, where the interviews and commentaries of the needed politicians were presented.

Theoretical and practical significance of the study consists in the possibility of using the materials of the dissertation to carry out activities of promoting the Russian-Italian relations, their maintenance in the context of sanction policy. In the dissertation are presented the analysis of the impact of the regime of sanctions on the relations between Russia and the Western countries, the positions of the main actors, and scenarios for the development of events. The results of the dissertation can be used for scientific purposes.

The scientific novelty of the study is that the author has studied a wide range of aspects of bilateral interaction between the Russian Federation and the Italian Republic, in particular in the context of the ongoing

crisis in the relations between Russia and the West, one of the manifestations of which are the sanctions applied by the parties. The views of the main representatives of the conflict are analyzed and presented, and variants of the development of the situation are revealed. The author used the latest data in the disclosure of the theme. The survey was compiled, conducted and used in order to understand how representatives of both countries percieve the state of relations and some aspects, which were examined.

The dissertation consists of Introduction, Main part, Conclusion, Bibliography and Appendixes. The main part is divided into three chapters, such as The Western sanctions and the Russian counter-sanctions, Relations between the Russian Federation and the Italian Republic and Opinions and forecasts.

2. The Western sanctions and the Russian counter-sanctions

2.1. Theoretical and methodological foundation of sanctions

Before proceeding to examination and analysis of specific sanctions in relations between Russia and the Western countries, which began in 2014 in connection with the Ukrainian events, it is worthwhile considering the theoretical and methodological basis of the study of sanctions.

There is a point of view that free trade promotes the economic growth, contribute to the positive effects in domestic and international situations. However, the connection between trade and growth is still controversial. In many cases trade liberalization stimulated growth, when sanctions and trade restrictions have led to recessions or contributed to the existence of the inefficient domestic sectors. At the same time, there were cases of growth with the conditions of the tariff protection.

Sanctions are also viewed as the measures that worsen the efficient allocation of resources, which could lead to the protection of inefficient industries. Concurrently, some actions of the protectionist nature could be useful for infant industries. Benito Mussolini was against the introduction of the import duties but after Smooth-Hawley Act, which raised the duties on many imported goods to America, he increased import duties on automobiles to 100 %, which greatly favoured the Italian company «FIAT».

The sanctions of different kind, embargoes are those obstacles that prevent the free trade and generally cause negative effects in the economies of the involved countries. The example of the embargo can be the U.S. case, which happened in the beginning of the XIX century. The U.S. Congress stopped almost all trade because of the situation with Britain, which was in war with Napoleon and wanted to prevent ships coming to France. Then, Britain took ships from the U.S. coast and the U.S. decided to stop trade for fourteen months having idea to defend its ships and inflict economic losses to Britain. The export from the U.S. fell dramatically. The embargo had cost the American economy 5 % of the GDP¹⁷. The opening of trade by Japan under the pressure from the U.S. in 1859 provided advantages for Japan in the sense that the price of the export rose, such as silk and tea, and the price of the imports, like wool, fell, bringing a gain of about 4-5 % of the GDP¹⁸.

In the practice of the international law, for a long time, was used a term «reprisal», which meant political and economic measures applied by one state in response to illegal actions of another country. Then, instead of it the term «international sanctions» was introduced¹⁹.

Sanctions are the measures and solutions, which could have different meaning, such as: 1) the measures applicable to the offender, and entailing certain adverse consequences for him. Depending on the nature of the measures and actors, which use them, sanctions of this kind are divided into those of criminal law, administrative law, disciplinary, and property law. Sanctions are used by the court, the police, the officials and the administration, and the arbitral tribunal; 2) the structural part of the rule of law, indicating the impact of possible measures on the violator of this rule; 3) the decision of the prosecutor authorizing coercive measures to

¹⁷ Feenstra R. C., Taylor A. M. International economics. – New York: Worth, 2014. – P. 65.

¹⁸ Irwin D. A. Free trade under fire. Princeton University Press, 2002. – P. 45.

¹⁹ Semenov A. V. Political-economic sanctions in the contemporary international relations. // Vlast'. – 2015. – № 7. – Pp. 67-72.

a person suspected of a crime; 4) in the international law – measures of the making of the impact on the state, which violated the rules of this law, its international obligations²⁰.

Sanctions in the international relations are considered to be a mean of economic influence, by using them it is possible to avoid the military actions. Sanctions could be viewed as an intermediate stage between such actions in the sphere of foreign policy as diplomatic interaction and war. Previously, sanctions were used as additional tool during the conduct of hostilities. Then, after the First World War, the idea of applying sanctions as a substitute for aggression appeared. This idea formed the basis for the creation of the League of Nations in 1919. Nevertheless, sometimes the sanctions are not very effective, as the countries want while applying them. The important issue in the field of the policy of sanctions is time. Usually, the effect of sanctions is seen after some time and it is not easy to estimate the scale of its impact. It is worth noting that the economic sanctions almost never were able to influence the large states and those countries that followed a policy of self-sufficiency²¹.

In the system of international law, sanctions are one of the most common forms of state responsibility, which occurs as a result of their violation of generally accepted norms. Unlike diplomatic or political methods of influence, aimed primarily at reducing the legitimacy or authority of the country, economic sanctions are applied with the intention of inducing a country to abandon some actions by inflicting material damage. American experts G. Hafbauer, J. Schott and K. Elliott define economic sanctions as a deliberate, state-initiated threat of break of normal trade and finance relations²².

At the level of the world community, the UN Security Council has the authority to impose sanctions, what is stated in the Article 41 of the UN Charter. In the UN Charter, sanctions defined as non-military measures that are being applied if the Security Council determines the existence of any threat to peace, any contravention of peace or an act of aggression to maintain or restore international peace and security, might include a complete or partial break in economic relations, rail, sea, air, postal, telegraph, radio or other means of communication, as well as in diplomatic relations²³. Nevertheless, the establishment and operation of sanctions at the level of the UN Security Council is a subject to certain restrictions. Consequently, the imposed sanctions can be taken in a limited range, only with an objective to prevent and eliminate threats to peace. In addition, nine of the fifteen members of the Council, including the votes of five permanent members, which are China, France, Russia, the United Kingdom and the United States, are required to take a decision on imposing sanctions. Without a unanimous decision of the five permanent members of the Security Council, the resolution is rejected. Moreover, in practice, not all states comply with the decisions of the UN Security Council, but decide to follow their own objectives and interests. In the period from 1945 to 1990 the UN imposed sanctions only two times,

²⁰ Suharev A. Ya., Krutskih V. E., Suhareva A. Ya. Large legal dictionary. – M.: Infra-M, 2003. – P. 417.

²¹ World politics: theory, methodology, applied analysis. / A. A. Kokoshin, A. D. Bogaturov, eds. – M.: KomKniga, 2005. – P. 291

²² Hufbauer G. C., Schott J., Elliott K. A. Economic sanctions reconsidered: history and current policy. – Washington, 1990. – P.

²³ UN Charter. Chapter VII. / UN. [Electronic source] URL: http://www.un.org/ru/sections/un-charter/chapter-vii/index.html (date of access: 07.02.2017).

specifically, against Southern Rhodesia, and South Africa. On the whole, the UN Security Council imposed sanction regimes 26 times²⁴. The difficulties with the introduction of collective economic sanctions induced the United States to act unilaterally, reflecting desire to dominate the system of international relations and interfere in the internal affairs of other states under the shape of spreading democratic values. The United States most often resorts to sanctions in the modern world. The process is being implemented incrementally: from 1918 to 1992 it used this tool 54 times, and from 1993 to 2002 – 61 times²⁵.

Sanctions could be defined as non-military restrictive measures that are applied by a country, group of countries or the international community represented by the UN against individual representatives of a country, companies of a country, institutions of a country, a country or group of countries, might be political or economic, aiming to change the political actions of the recipient country and providing restrictions or termination of economic, diplomatic, cultural and other relations.

Traditionally, the efficiency of the use of sanctions is linked to the principle of «pain-gain», meaning that the economic difficulties experienced by the countries-recipients of sanctions create sufficient incentives for the leadership of these countries to change their policy. The practice of applying economic sanctions, nevertheless, could show that sanctions, if they are not accompanied by a radical undermining of the economic power of the country-recipient, have practically no influence on the policy of non-democratic governments. Thus, an example of the ineffectiveness of the international economic sanctions might be the restrictions on Rhodesia imposed by the UN in 1965-1966. The UN Security Council recommended that member countries should impose economic sanctions on the supply of oil products and weapons to Rhodesia. In 1966, as part of the sanctions, supplies from Rhodesia of tobacco, chrome, copper, asbestos, sugar, and meat were banned. Switzerland and the Federal Republic of Germany, which were not part of the UN, became Rhodesia's main trading partners. In addition, part of the exports came to Japan, and Iran supplied oil to Rhodesia. The Portuguese government allowed the labeling of the Rhodesian goods as Portuguese, and South Africa demonstratively refused to follow the UN recommendations. In the end, even the U.S. recognized in 1971 the import of nickel from Rhodesia for its companies to be possible²⁶.

Peterson Institute for International Economics conducted a research in order to evaluate the effectiveness of sanctions in 174 cases since the World War I. The authors determined for each case the success index ranging from 1 to 16, where 1 means that sanctions failed to achieve the goal, and 16 stands for the determinative contribution of sanctions to the implementation of the country-sender objective. In the research several cases have received the success rating equal to 1 (for example, the U.S. sanctions against Azerbaijan in 1992-2002, the U.S. sanctions against North Korea in 2002-2006, etc.), some cases have obtained the success rating equal to 16 (such as the U.S. sanctions against Taiwan in 1976-1977, the U.S. sanctions against El Salvador in 1987-1988,

²⁴ United Nations Security Council. [Electronic source] URL: https://www.un.org/sc/suborg/en/sanctions/information (date of access: 07.02.2017).

²⁵ How easy to understand the language of sanctions? / BBC. 2014. [Electronic source] URL: http://www.bbc.com/russian/international/2014/04/140429 sanctions history (date of access: 07.02.2017).

²⁶ Bel'kevich A. A. The study of world experience in the application of economic sanctions on foreign policy // Izvestia TulGu. Economic and legal sciences. -2016. - № 1. - Pp. 284-294.

etc.). The authors also estimated the cost to target in percent of GNP. In some cases it expressed in negative figures, meaning that the sanctions not only did not affect negatively the economy of a target, but the postive dynamics had been observed. These are the cases of the U.S. sanctions against Ethiopia in 1977-1992, the sanctions of the Arab League against Egypt in 1978-1983, and others²⁷. This research makes it clear that the influence of sanctions on the target could be dramatically different. However, the sanction policy could also be a factor of decreasing of the authority of a country in the international arena. The sanctions as an instrument are controvercial because they are not always lead to the reaching of the country-sender of its objective.

The awareness of this fact has caused many debates among academic and political experts, which led to the formation of the concept of *smart sanctions*. One of the main differences between the new approach and the traditional one is that there is supposed aiming of sanctions on harming the interests of the political elite, subjects on which really depends on a change of policy of the country-recipient. The most appropriate for this recognized such tools as arms embargoes, monitoring of international financial transactions and restrictions on the freedom of movement of political leaders of the corresponding countries²⁸. This type of sanctions is also called targeted sanctions, whereas the sanctions that touch not only individuals, but also the economic institutes and activity of a state, are named comprehensive.

The history of economic sanctions has more than 2500 years. The first case was recorded in the ancient Greece in the V century B.C., when Athens banned ships from Megara, the main supplier of grain, to moor and unload from their shores. The first example of sanctions in history served as one of the reasons for the beginning of the Peloponnesian War.

Napoleon Bonaparte used economic sanctions as a foreign policy tool. In 1806 he introduced a complete ban on trade with the United Kingdom in order to create mass unemployment and popular discontent. The ban was in effect until 1814 and is known in history as the «continental blockade». However, these and other examples are the exceptions rather than the rule. Opponents preferred to resolve conflicts on the battlefield. After numerous casualties of the First World War, there was the desire to limit the number of armed conflicts replacing them with an indirect impact. For example, the American president Woodrow Wilson was an active supporter of the institute of sanctions, calling them a comprehensive boycott of the aggressor. It is particularly noteworthy that the sanctions resorted to many countries, but the record in this regard is precisely of the United States²⁹.

A. Mack and A. Khan stated that sanctions usually do not contribute to the raise of popular support for the ruling regime in the country-recipient of sanctions³⁰. J. Galtung noted that sanctions could be resulted in the counterproductivity with appearance of a new elite that takes advantages from isolation of a country in the

²⁷ Summary of economic sanctions episodes, 1914–2006. / Peterson Institute for International Economics. [Electronic source] URL: https://piie.com/summary-economic-sanctions-episodes-1914-2006# ftnb (date of access: 07.02.2017).

²⁸ Alekseeva T. A., Afontsev S. A., Baranovskii V. G., Belokrenickii V. Ya., Bogaturov A. D. and others. Contemporary international relations and world politics / Edited by Torkunov A. V. – M.: «Prosveschenie», 2004. – P. 113.

²⁹ Krut' V. G. Sanctions against Russia: the history of the issue and the modernity. // Actual problems of contemporary international relations. -2015. - № 6. - P. 1.

³⁰ Mack, A., Khan, A. The efficacy of UN sanctions. // Security Dialogue. −2000. −№ 31. − Pp. 279–292.

world³¹. Z. Selden believes that, after some time, sanctions could be able to promote the development of internal companies, thus helping to decrease the dependence on the other countries in the international arena. Some thinkers, including J. Galtung, D. Leyton-Brown, R. Renwick, G. Tsebelis, P. Lundborg, supports the point of view that sanctions could be used not in order to cause the losses in the country-recipient, but for the aim of demonstrative character allocated to people of a country and the international actors³². Some experts also wrote about the role of interest groups in the governance of sanctions. Specifically, W. H. Kaempfer and A. D. Lowenberg suggest that sanctions are established for responding to demand of interest groups within the domestic area³³. P. H. Gray considers that the formation of an economic loss is possible only with measures to restrict trade on non-competitive goods³⁴.

For its intended purpose, it is possible to identify political and economic types of sanctions. Political sanctions might include diplomatic ones, such as recall of employees of diplomatic missions; sports, for example, banning or refusing to participate in sports events; cultural, such as termination of scientific, technical and cultural cooperation; personified, like ban on entry into the country for individual citizens. Economic sanctions can be considered as commercial sanctions, including trade embargoes, prohibition or restriction of access to markets, financial resources and infrastructure; technological, for example, prohibition or restriction of access to technology and resources; financial, such as blocking assets abroad, restricting access to financial markets³⁵.

Sanctions could be concentrating on different aims according to the situation and the priorities of the main actors. For example, they could be used as a specific tool in order to express a political indication of objection. Also sanctions could be used to prevent the continuation of action, which are do not correspond to the perceptions of the country, which is using sanctions. They could be present to make a country changing its behavior. In the situation of sanctions imposed by the EU on Russia, the EU is interested in achieving all of these aims³⁶.

Sanctions also could focus on various targets. They could be acting regarding to governments, some groups, for example, terroristic groups, in order to change their behavior, some entities or individuals. Thus, from the position of the EU, for example, sanctions usually are meant to have minimum effect on the civil population, which is not responsible for the actions of the government³⁷.

³¹ Galtung, J. On the effects of international economic sanctions, with examples from the case of Rhodesia. // World Politics. – 1967. - N = 19. - Pp. 378-416.

³² Kaempfer W. H., Lowenberg A. D. The political economy of economic sanctions. // Handbook of Defense Economics. Vol. 2 Defense in a globalized world. / Edited by T. Sandler and K. Hartley. – Amsterdam: North-Holand, 2007. – P. 870.

³³ Kaempfer W. H., Lowenberg A. D. The theory of international economic sanctions: a public choice approach. // American Economic Review. - Vol. 78. - 1998. - № 4. - Pp. 786-793.

 $^{^{34}}$ Caruso R. The impact of international economic sanctions on trade. An empirical analysis. // European Peace Science Conference. -2003. - Pp. 7-8.

³⁵ Semenov A. V. Political-economic sanctions in the contemporary international relations. // Vlast'. − 2015. − № 7. − Pp. 67-72.

³⁶ Bond I., Odendahl C., Rankin J. Frozen: The politics and economics of sanctions against Russia. // Centre for European Reform. – 2015. – P. 3. P. 22.

³⁷ Sanctions: How and when the EU adopts restrictive measures. / Council of the European Union. 2017. [Electronic source] URL: http://www.consilium.europa.eu/en/policies/sanctions/ (date of access: 07.02.2017).

The time could be important in the regime of sanctions. The longer the sanctions operate the higher are the costs in the country, which is a target of sanctions. However, with the time goes it is easier to adapt to the sanctions or circumvent them.

Apart from the current sanctions in connection with the events in Ukraine, the USSR and Russia have been formally subjected to them six times.

The theories of sanctions provide various definitions, types, aims, targets of the term. The history of sanctions in the international relations present a wide range of examples, the investigation of which could be useful in a particular research. International sanctions are a non-military measure that is used to influence an actor and change his behaviour. Theorists have considered in their works diverse aspects related to sanctions, including their application and effectiveness. Great importance in the process of sanction measures has a factor of time.

2.2. Historical background and causes of the emergence of sanctions and counter-sanctions

The appearance of sanctions and counter-measures of Russia did not happen without any special reasons. The influence of various factors, including historical, particularities of the contemporary international system, relations between Russia and the Western countries, Ukraine occurred. Consideration of the drivers and circumstances of the emergence of policy of sanctions will start with the relations between Russia and Europe, in particular the European Union.

The Russian Federation and the European Union are important trading partners. They have developed deep economic ties and constructive relations in different spheres. Russia is the third biggest trading partner of the EU. It represents 8,4 % of total trade. At the same time, the EU is the Russian biggest trading partner and significant investor with approximately 75 % of foreign investments coming to Russia from it³⁸. In 2016, Russia was on the fourth place in the total trade with the European Union, losing one position compared to 2015³⁹. In 2016, the European Union still ranked the first trading partner in the total trade with Russia. In 2016, Frank Schauff, CEO of the Association of European Businesses (AEB), at the meeting with the head of the Ministry of Economic Development of Russia Alexei Ulyukayev noted that about 60-70 % of all investments in Russia comes from the countries of the European Union⁴⁰.

The biggest share of the export from the EU to Russia is in the sector of machinery and equipment (22,7 %), followed by cars and trucks (11,6 %) and electrical and electronic equipment (9,7 %) (Appendix N = 4)⁴¹.

³⁸ Szczepanski M. Economic impact on the EU of sanctions over Ukraine conflict. Briefing. / European Parliament. 2015. P. 1. [Electronic source] URL: http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/569020/EPRS BRI(2015)569020 EN.pdf (date of access: 01.02.2017).

³⁹ European Union, Trade in goods with Russia. / The European Comission. 2016. [Electronic source] URL: http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc 113440.pdf (date of access: 01.02.2017).

⁴⁰ Tired of sanctions. / RG.RU. 2016. [Electronic source] URL: https://rg.ru/2016/02/09/tovarooborot-rf-s-evrosoiuzom-upal-za-poltora-goda-na-37.html (date of access: 01.02.2017).

⁴¹ International trade center trade map. EU exports to Russia, %. [Electronic source] URL: http://www.trademap.org/Index.aspx (date of access: 01.02.2017).

Russian export to the EU is represented mostly by the fossil fuels (81,7 %) (Appendix N_2 5)⁴². The main trade partners for Russia in the European Union are Germany, Netherlands, Italy and Poland (Appendix N_2 6)⁴³.

Relations between the EU and Russia in trade are regulated by the PCA (Partnership and Cooperation Agreement), which was signed in 1994 and ratified in 1997. It has the automatic yearly prolongation till any of the parties decide to terminate it⁴⁴. In 2000's both sides admitted that his agreement is obsolete but negotiations about new one were stalled. It should be noted that the relations between two actors in the sphere of energy, which is important for both of them, is not regulated by the PCA. In 2003 Russia and EU announced the creation of four common spaces: economic space; space of freedom security and justice; space of external security; scientific, cultural and educational space⁴⁵. Russia and the EU also have several agreements in different sectors, such as trade, science and technology, education, energy and environment, transport, and prevention of illegal activities⁴⁶.

In 2014, trade between two partners decreased⁴⁷. There are some reasons for it, not the least of which are the depreciation of ruble due to the changes in the world economy and falling of the price of oil and sanctions against Russia along with counter-sanctions. There is capital flight from Russia because of the sanctions, the fell of trust in economy and other factors. The Russian economy is highly linked to the selling of energy resources, which represents the highest share of the budget of the country. Thus, changes of the price of oil affect the Russian economy a lot. The contribution of the energy industry to the dynamics of income in Russia is the determining (the share of it in the total profit of the real sector is over 50 %). In the commodity structure of Russia's exports, mineral products traditionally predominate. Their share in the dollar export volume increased significantly from 48 % in 1997 to 71 % in 2013, but decreased to 64 % in 2014-2015, which is explained by the fall of the price of oil and other energy resources⁴⁸. The weakening of the ruble had a positive impact on financial results in the mining sector (up to 43,8 %), compensating the sharp fall in oil prices, however, adversely affected the profits of the enterprises that produce products mainly for the domestic market. In the structure of income of enterprises in the real sector of the economy in January-November 2014 40,2 % owned by mining, 23,4 % – by trade, 14,5 % – by processing industries⁴⁹.

⁴² International trade center trade map. Russian exports to EU, %. [Electronic source] URL: http://www.trademap.org/Index.aspx (date of access: 01.02.2017).

⁴³ Eurostat. Main trade partners, % of total foreign trade. [Electronic source] URL: https://ecas.ec.europa.eu (date of access: 01.02.2017).

⁴⁴ Van Elsuwege P. Towards a modernisation of EU-Russia legal relations? / CEURUS EU-Russia Papers, 2012. − № 5. − P. 2. ⁴⁵ Ibid. P. 1.

⁴⁶ The Russian Federation and the European Union. / The European External Action Service. 2016. [Electronic source] URL: https://eeas.europa.eu/headquarters/headquarters-homepage/720/russian-federation-and-european-union-eu_en (date of access: 01.02.2017).

⁴⁷ Ibid.

 $^{^{48}}$ Foreign trade: change in structure and dynamics. Bulletin of the socio-economic crisis in Russia. / Analytical center under the Government of the Russian Federation. -2016. -P. 8.

 $^{^{49}}$ Monitoring «On the results of the socio-economic development of the Russian Federation in 2014». / Ministry of Economic Development of the Russian Federation. – 2015. – P. 101. [Electronic source] URL: <u>http://economy.gov.ru/wps/wcm/connect/97fcd9bd-03b8-4c66-a02f-</u>

 $[\]frac{117d69e48429/Итоги_2014.pdf?MOD=AJPERES\&CACHEID=97fcd9bd-03b8-4c66-a02f-117d69e48429}{11.02.2017}$.

The innovative sector, machinery, technological sphere are not developed very well in Russia, what make it lagging behind its Western partners and compelling it to buy the technologies abroad. This aspect prevents the country from introducing innovative technologies also because of the Western sanctions. The leading positions of Russia in defense sector with high-developed technologies there do not present enough possibilities to force the economy of Russia and become more modern in other fields and overcome its contenders. A huge country with a great potential and the presence of specialists of different spheres is undergoing a process of a brain drain. The situation nowadays is that many qualified Russians are moving to other countries, such as doctors, engineers, scientists, entrepreneurs and teachers. In 2015, according to the Federal State Statistics Service of the Russian Federation, 353233 persons moved to other countries from Russia⁵⁰. For the economic situation of Russia, this changing of country of living by citizens of high skills is significant. The lack of developing of technologies with the lack of the qualified workforce could leave Russia without the successes in the modernization and still being dependent on the changes of oil price. In the situation of sanctions and conflict with the West it is not effective to be dependent on the foreign technologies. It is necessary to develop domestic technologies and try to be less dependent on the selling of oil and gas. As a matter of fact, Russia met some challenges in the demographic sphere. Many experts claim that Russia is suffering a depopulation, which could badly influence its economy, as well as the social field, and poses a big problem for the Russian government⁵¹. Depopulation is a condition in which the mortality rate exceeds the birth rate over a certain period of time. It is measured by the ratio of total fertility and mortality, and is expressed as the negative natural population growth. In 2006, in Russia the population growth rate was equal to -0,26 %, in 2007 it was -0,08 %, in 2008 it was -0,01 % and started to be positive in 2009 with 0,07 %. Despite the fact that, substantially, in recent years there has been an increase in the birth rate, and from 2009 to 2016 the population growth was positive, however, Russia must take effective measures to deal with the depopulation, as the problem might arise again and it is too early to talk about its final resolution. The situation is deteriorating with the fact that enormous territories in the East of the country are being underpopulated with the big amount of resources located there. The reasons of depopulation are several, including bad situation in the sphere of health care, low living standards, uncertainty about future, unstable economic situation. The government should care properly of its citizens by expanding the structures of health care, increasing welfare. The Russian authorities took several measures that could be considered as effective as there is improving of the situation but the improvement is not striking. Nevertheless, the government should continue to work intensively in this area. That should be done because the might of Russia also in its people. Therefore, the focus should be put on the developing measures of the qualitative character, not only seek the quantitative results expressed in the population growth.

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⁵⁰ International migration. / The Federal State Statistics Service of the Russian Federation. [Electronic source] URL: http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/accounts/ (date of access: 11.02.2017).

⁵¹ Keck Z. Russia is doomed. / The Diplomat. 2014. [Electronic source] URL: http://thediplomat.com/2014/03/russia-is-doomed/ (date of access: 04.03.2017).

It is necessary to examine the territorial location of the Russian Federation and the national self-determination, because it could help to understand the relations with the Western countries and positions of the actors better. Russia is located between Europe and Asia, what was a theme of discussions between Russian philosophers and scientists. In 40-50's of the XIX century there were two different directions in the Russian social and philosophical thought. The first direction was presented by the Slavophiles, who began to talk about the special path of Russia. The second group was the Westernizers who insisted on the need for Russia to follow the development of the Western civilization, especially in the fields of social organization, civil life and culture. The main role in the development of the Slavophiles was played by writers, poets and scientists such as A. S. Khomyakov, I. V. Kireyevskii, K. S. Aksakov, I. S. Aksakov, Yu. F. Samarin, F. V. Chizhov. Westernizers were presented by E. F. Korsch, K. D. Kavelin, T. N. Granovsky, B. N. Chicherin, V. G. Belinskii.

According to the Westernizers, there is a global way of historical development, which is common to all states, and Russia is also moving in this direction, but lags behind other countries. The Russian Emperor, Peter the Great, travelled a lot in Europe and tried to set some European features in Russia and the Westernizers believe that he made a lot to make Russia closer culturally and socially to the Western countries. However, the Slavophiles claim that Russia has its own traditions and history, which are different from the European ones. The originality of Russia, according to the Slavophiles, is in the absence in its history of the class struggle, in the community cooperatives, and in the Orthodox Church⁵². Some state that Russia is a bridge between Europe and Asia and has features of both of them. Russia, obviously, had experienced the influence of Europe, especially in the times of Peter the Great and Catherine the Second in the XVII-XVIII centuries, and of Asia mostly in the time of the Tatar-Mongol yoke in the XII-XV centuries.

The third group, which considered the essence of Russia, is presented by the Eurasianism, philosophical and political movement in Russia, which emerged in emigre intellectual community in the 1920's as a reaction to the events of 1917. The main representatives of this philosophical movement are N. S. Troubetzkoy, P. N. Savitskii. According to the Eurasians, Russia is not Europe and not Asia, but a quite original country-continent of Eurasia. At the same time, Europe is a dangerous factor to the Russian culture. Nikolai Sergeevich Troubetzkoy first declared in 1925 that Russia is not the successor of Kievan Rus, it is a successor of Mongolian monarchy. The Eurasians, in contrast to the Slavophiles, considered the East as a major factor of formation of Russian identity⁵³.

The academician of the Russian Academy of Sciences, Yurii Sergeevich Pivovarov, suggests that Russia is neither West nor East, but the North. Russia as any other country has always developed in its own way. It was the first attempt in the history to master the northern territories⁵⁴.

Accordingly, in the philosophical and social thought of Russia are presented different views on the position of Russia, its national identity and affiliation to particular culture and the way of the social

⁵² Philosophy: encyclopedic dictionary. / Edited by A. A. Ivina. M.: Gardariki, 2004. – P. 158.

⁵³ Ibid. P. 150.

⁵⁴ Yurii Pivovarov, academician: «Russia is the first attempt to build a civilization in the North». / Izvestia. 2009. [Electronic source] URL: http://izvestia.ru/news/350770 (date of access: 15.02.2017).

development. Not only Russia, but almost all countries on the post-Soviet space have different culture in the greater or lesser extent from the European culture, different history and traditions.

Europe does not seem to consider Russia as a European country in the full sense. It is hard to imagine Russia in the list of the member states of the European Union. The players do not trust each other and the EU would prefer to have a weak Russia instead of strong.

However, the European Union consists of 28 countries, which have some things in common, and also differ from each over. Italy has with Russia long relations, which seem to be special and trustful. It could be found in the political sphere, as well as in the economic and cultural ones. Nevertheless, undoubtedly, the European Union has its own direction of the policy, countries in it are acting together, but it could be observed not in all issues.

It seems necessary to consider the roles of Russia and the EU in the bilateral relations and in the international arena. Glenn Diesen, an Australian researcher, discusses the topic of the asymmetric interdependence and the current situation in the sphere of the international relations. His reasoning begins with the fact that in the theory of the political realism, it is noted that regional integration projects are stable only when the balance of dependence is observed. Mutually beneficial cooperation between countries leads to the formation of a balance of power that does not allow one of the parties to challenge the existing status quo. The asymmetric interdependence is an indicator of violation of the balance of dependence and lies in the fact that less dependent state can establish favorable economic conditions for itself and receive political concessions from partner. According to Glenn Diesen, the centuries-old domination of the Western states in the economic sphere is the result of the establishment of the asymmetric interdependence with other countries of the world, which was due to the growing control of the West over strategic markets, transport corridors and financial institutions. Since the beginning of the XVI century, the Western maritime powers began to play a dominant role in the international relations by establishing control over the main maritime transport corridors and forming trading empires. Such countries advocated the principles of free trade, because through their control over trade routes their benefits were noticeably superior to costs. After the Second World War, the United States became the world's leading geo-economic power through the creation of the system of Bretton Woods's institutions and control over strategic markets, resources and transport corridors. At this stage of history, the United States was opposed by the Soviet Union, which was beyond the economic influence of the United States of America. After the Soviet Union ceased to exist in 1991. Russia faced the task of the economic integration and modernization processes. In the case of the economic integration with the Western countries, the world's leading economies, there was the possibility of the economic development, including the risk of the asymmetric interdependence, since Russia was economically weak at that time, which could lead to decrease of influence and independence of Russia. Russia made attempts to implement an ambitious regional integration project called «The Greater Europe» and failed due to the asymmetric relations based on the leading-led format, implying Russia to make unilateral concessions. As a result, the European integration in this case has evolved into a zero sum project.

Boris Nikolaevich Yeltsin, the first president of the Russian Federation, understood that the option of the integration with the West was unpromising and advocated the transformation of Russia into a Eurasian power.

V. Putin, having assumed the post of President of Russia after B. Yeltsin, applied economic instruments of state administration to restore power and influence of Russia. There was a return to the state control of energy resources, which was a guarantee that Russia's strategic industries will work for the benefit of the state, and not for the oligarchs who used them to control the government. Putin intended to turn Russia into an energy superpower, which would give the country leverage over the negotiations on the implementation of «The Greater Europe» project. The European countries reacted to the dependence on Russia in the energy sphere with resistance, which hampered the implementation of «The Greater Europe» project. The only way for Russia in this situation was to become a Eurasian state, to establish ties in this region in order to reduce dependence on the West. Together with this process, Russia needed to increase its influence in competitive strategic markets, strengthen its positions in production chains, in transport corridors and in international financial organizations. To create «The Greater Eurasia» Russia requires strategic partnership with China⁵⁵. China is a country with strong economic potential, which is the largest consumer of energy, while Russia is the largest producer of energy. The PRC has the opportunity to challenge the American leadership in the field of the international politics, and is aimed at this, not recognizing the unipolar worldview and sharing Russia's opinion that the world is multipolar.

With Glenn Diesen on many issues it is possible to agree, however, Yevgeny Maksimovich Primakov, who was the Minister of Foreign Affairs of the Russian Federation from 1996 to 1998, advocated multipolarity, which was done also by Vladimir Vladimirovich Putin. Primakov believed that the Russian Federation should adhere to the Russian foreign policy and reject the role of a junior partner in relations with the West, while maintaining relations with it. In addition, he took a negative stance on the expansion of NATO. This is not consistent with Diesen's assertion that during the rule of Putin, Russia was also inclined to build and implement «The Greater Europe» project.

Some experts claim that there is also disagreement between Europe and Russia over spheres of influence. Specifically, Russia after the collapse of the Soviet Union as its successor wants to preserve its sphere of influence on the territory of some of the former republics (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, Uzbekistan). Nevertheless, the European Union also has its own perception of these countries and program on how to act with them. In 2008, Georgia and Ukraine showed their desire to join NATO, which Russia found not corresponding to its vision of the situation on the post-Soviet space⁵⁶. NATO was founded in the period of the Cold War and was to finish its activity after the end of it as the Warsaw Pact did. However, NATO still exists. Certainly, the Russian Federation sees the expansion of NATO to the East towards its boarders as a negative action that violates the principle of equal security and

⁵⁵ Diesen G. Russia, China and the «balance of dependence» in Greater Eurasia. // Russia in global affairs. 2017. [Electronic source] URL: http://www.globalaffairs.ru/valday/Rossiya-Kitai-i-balans-zavisimosti-v-Bolshoi-Evrazii-18672#_ftn6 (date of access: 05.05.2017).

⁵⁶ Oxenstierna S., Olsson P. The economic sanctions against Russia. Impact and prospects of success. / Swedish Defence Research Agency. – 2015. – P. 13.

leads to a deepening of the old and the emergence of the new dividing lines in Europe, what is written in the Foreign Policy Concept of the Russian Federation of 2016⁵⁷. In 2008 there was a military conflict between Russia and Georgia over South Ossetia and North Abkhazia. After this war the European Union started to implement the Eastern Partnership, which was aimed to include Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. This program had mainly an economic direction with the emphasis put on the increase of trade with the EU. At the same time, Europe followed the idea to promote Western values of democracy in the countries in the East. The Russian Federation perceived this initiative to be rival because these countries are in its sphere of influence⁵⁸. Russia argues that states of the post-Soviet space share with it common history, values and traditions. This statement is fair, because these countries once constituted the Russian Empire and the Soviet Union. Moreover, the desire of the EU, according to the Eastern Partnership, to develop deeper economic ties with former Soviet republics and promote free trade is in conflict with the Russian actions in this direction⁵⁹. For instance, there is a Union State of Russia and Belarus, which assumes economic integration, and the Eurasian Economic Union of Belarus, Kazakhstan and Russia, which is aimed at economic cooperation and development of trade. According to the Russian Federation, the countries of the Eastern Partnership should not be put before the choice by the EU between developing free trade negotiations with the EU or with Russia⁶⁰.

Not only the Eastern Partnership concerns Russia and make it feel irritated, but also the Enlargement of the European Union. In 2004 Estonia, Latvia and Lithuania joined the European Union⁶¹. Countries of the Eastern Partnership are not candidates for accession to the EU, but potentially they might be willing to become a member of it, which could present a negative effect for Russia because they are in its sphere of influence and also because the economic reasons as the trade between Russia and these countries could be affected. Nevertheless, Russia is taking a unique position in geographical and economic terms for the countries of the post-Soviet space and is indicating that its opinion in this area should be taken in mind.

Thus, there is an existing dispute between Russia and the EU on the territory of the former Soviet Union, which is expressed in actions of actors, and Russia observes that the European Union represents a challenge to its policy in this area. Russia and the Western countries (the EU and the USA) are interested in the post-Soviet countries as an element of their spheres of influence.

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⁵⁷ Foreign Policy Concept of the Russian Federation (Approved by President of the Russian Federation Vladimir Putin on November 30, 2016). / The Ministry of Foreign Affairs of the Russian Federation. [Electronic source] URL: http://www.mid.ru/foreign policy/news/-

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 $^{^{58}}$ Oxenstierna S., Olsson P. The economic sanctions against Russia. Impact and prospects of success. / Swedish Defence Research Agency. $-\,2015.-P.\,14.$

⁵⁹ Zagorsky A. Eastern Partnership from the Russian perspective. // International politics and society. − 2011. − № 3. − P. 41. [Electronic source] URL: http://library.fes.de/pdf-files/ipg/2011-3/05 zagorski.pdf (date of access: 01.02.2017). 60 Ibid. P. 48.

⁶¹ European Neighborhood Policy and enlargement negotiations. / The European Commission. [Electronic source] URL: https://ec.europa.eu/neighbourhood-enlargement/policy/from-6-to-28-members en (date of access: 01.02.2017).

2.3. Emergence and senses of sanctions and counter-sanctions

It is necessary to trace the emergence and senses of policy of sanctions applied in 2014 by the Western countries after the events in Ukraine and the counter-measures taken by the Russian Federation.

The European Union started the Eastern Partnership in 2009 and was to sign the Association Agreement with Ukraine in order to replace the Partnership and Cooperation Agreement of 1998. This document founds political and economic relations between Ukraine and 28 members of the EU, introduces a deep and comprehensive free trade area (DCFTA), which implies, in addition to the opening of markets, convergence with the norms and standards of the EU in trade, provides integration in the sphere of economy, puts focus on the democratic values and principles⁶². On the other hand, there was an intention of Russia to form the Eurasian Customs Union and to include also Ukraine as a country, with which Russia has deep bonds of economic and historical character⁶³. The Association Agreement between Ukraine and the EU was planned to be signed in November of 2013 at the summit in Vilnius, but the Ukrainian side suspended preparations for the conclusion of the agreement. Prime Minister Nikolai Azarov explained the solution by the socio-economic interests of the country. According to him, on the eve of the signing of the Agreement, the International Monetary Fund pushed Ukraine to unacceptable conditions for obtaining a loan as it demanded to double the payment for housing, freeze salaries, pensions, scholarships and social payments, devalue the national currency and sharply reduce budget expenditures⁶⁴. However, in the documents of the IMF in this period regarding Ukraine is stated that for the government it is necessary to reduce the budget expenditures, restrain the increase of the wages in the public sector, limit pension indexation to inflation and abstain from cutting the taxes⁶⁵. The rhetoric of the IMF differs in some aspects from what Azarov expressed. He also stated that Ukraine does not want to finish the negotiation process for the Association Agreement, just to make a break, which is intended to be used for further improvement of democratic standards of the Ukrainian legislation, to introduce into the Ukrainian economy the technical regulations and standards of the EU. Prime minister emphasized that for Ukraine it is necessary to restore trade relations with Russia⁶⁶.

The opposition was in favor of the European integration, and on the 21st of November started the action of protest on the Independence Square in Kiev in response to the decision of the government under the President

⁶² EU-Ukraine Association Agreement. «What does the Agreement offer?» / The European External Action Service. P. 1. [Electronic source] URL: http://eeas.europa.eu/images/top_stories/140912_eu-ua_aa_what_does_the_agreement_offer_v.pdf (date of access: 01.02.2017).

 $^{^{63}}$ Oxenstierna S., Olsson P. The economic sanctions against Russia. Impact and prospects of success. / Swedish Defence Research Agency. 2015. P. 14.

⁶⁴ Azarov: suspension of European integration – tactical decision. / Vedomosti. 2013. [Electronic source] URL: http://www.vedomosti.ru/politics/articles/2013/11/22/azarov-priostanovka-evrointegracii-takticheskoe-reshenie (date of access: 01.02.2017).

⁶⁵ Press release: IMF Executive Board concludes 2013 Article IV consultation, first post-program monitoring, and ex post evaluation of exceptional access with Ukraine. / The IMF. 2013. [Electronic source] URL: https://www.imf.org/external/np/sec/pr/2013/pr13531.htm (date of access: 01.02.2017).

⁶⁶ Azarov: suspension of European integration – tactical decision. / Vedomosti. 2013. [Electronic source] URL: http://www.vedomosti.ru/politics/articles/2013/11/22/azarov-priostanovka-evrointegracii-takticheskoe-reshenie (date of access: 01.02.2017).

of Ukraine Viktor Yanukovych to postpone the signing of the agreement, which grew into the so-called Euromaidan – the action of protest in the cities of Ukraine lasted for months and led to the confrontation between the opposition and the government entailed use of force⁶⁷. On the Euromaidan the interests of Russia and the European Union, or the West in general, confronted while the Ukrainian government did not want to sever relations with any side. Ukraine had to choose between a free trade area and deeper economic integration and political cooperation with one or the other party and it was a difficult option, which has split the country into two parts.

Between leaders of the opposition and representatives of the authorities in January of 2014 were held negotiations, which were aimed to end confrontation and demonstrations. Nevertheless, the process of coming to a full agreement was difficult, because in the society there was dissatisfaction with the authorities' activity. The Ukrainian government was ready to make concessions to the protesters by giving amnesty to the «peaceful protesters», but also put forward its demands for the release of seized buildings and streets. However, protesters have rejected the proposal. Prime Minister Azarov resigned. In February, Yanukovich left Kiev and went to Kharkov, after some time he entered Russia, where he gave a speech saying that he was not planning to leave the post of the president, which he held legitimately, and that the power in Kiev was seized by nationalists, which is the consequence of the policy of the West, which showed indulgence towards Maidan. The President of Ukraine also proposed to hold the national referendum and said that he wants to see Ukraine united⁶⁸. On 22nd of May 2014, the Verkhovna Rada, the Ukraine's parliament and the legislative authority, ousted Yanukovich from power, changed the Constitution and set the dates of the presidential elections. On 25th of May 2014, the presidential elections were held. Yanukovich called them illegitimate as well as the Russian Federation⁶⁹. The new government in Ukraine was organized under the guidance of the president Petro Poroshenko.

In response to the overthrow and the coming to power of anti-Russian opposition in the Southern cities and in the South-East of Ukraine were started demonstrations in support of the Russian-speaking population. In Crimea and Sevastopol protests grew into a powerful pro-Russian movement. As a result, on 16th of March 2014 in Crimea the referendum on the status of autonomy was held. The public was asked two questions: «Are you for the reunification of the Crimea with Russia as a constituent entity of the Russian Federation?» and «Do you support the restoration of the Constitution of the Republic of Crimea of 1992 and status of Crimea as part of Ukraine?» More than 90 % of voters came out for the option that the Republic should join Russia. According to the head of the Crimean referendum commission, the turnout was 83,1 %. On 18th of March the Russian President Vladimir Putin, the governance of Crimea and the mayor of the city of Sevastopol signed an agreement on the Republic's of Crimea and Sevastopol's joining Russia. The agreement was subsequently

⁶⁷ Chronicle of «Euromaidan». / Gazeta.ru, Rambler Infografic. 2014. [Electronic source] URL: https://www.gazeta.ru/politics/euromaidan/ (date of access: 01.02.2017).

⁶⁸ President Yanukovich: Verkhovna Rada is illegitimate. / RG.RU. 2014. [Electronic source] URL: https://rg.ru/2014/02/28/press-yanukovich-site.html (date of access: 01.02.2017).

⁶⁹ Russia does not recognize the legitimacy of new Ukrainian authorities. / RG.RU. 2014. [Electronic source] URL: https://rg.ru/2014/04/17/rossiya-anons.html (date of access: 01.02.2017).

approved by the State Duma and the Federation Council of the Russian Federation⁷⁰. Thus, in the Russian Federation with 83 subjects appeared also the Republic of Crimea and the Federal City of Sevastopol.

Crimea was a part of the Russian Empire. In 1946-1954, after the German occupation, the peninsula became a part of the RSFSR as the Crimean region. In 1954, the decree of the Presidium of the Supreme Soviet of the USSR transferred the region to the Ukrainian SSR. There are many assumptions why this happened, including a forced measure due to the difficult economic situation on the peninsula, N. S. Khrushchev's determination to change the ethnic composition of the Ukrainian SSR in the direction of increasing the share of the Russian population in order to prevent the development of the Ukrainian nationalism, and the desire to enlist the support of the Ukrainian nomenclature⁷¹.

However, the annexation of Crimea by the Russian Federation led to different opinions all other the world. Western countries did not agree with this development. Moreover, Crimea's joining Russia resulted in the emergence of sanctions imposed by the West on Russia, which were followed by the introduction of countersanctions by Russia on the West.

The Constitutional Court of Ukraine stated that the autonomy of the Republic of Crimea was unconstitutional and reminded that Ukraine is the unitary state, whose territory within the existing borders is integral and inviolable⁷².

The General Assembly of the UN with an overwhelming majority adopted a resolution that the referendum, which was held in Crimea on 16th of March on accession to Russia, was illegitimate. Russia's position was supported by Armenia, Belarus, Bolivia, Cuba, North Korea, Nicaragua, Sudan, Syria, Venezuela and Zimbabwe⁷³.

The population of Russia has another opinion. Two years after the annexation of Crimea to the Russian Federation the Russians still consider the decision correct and claim that it meets the country's national interests. This was stated by 95 % of respondents interviewed by the sociologists of the Russian Public Opinion Research Center⁷⁴.

It is interesting to consider the process of the annexation of Crimea from the Russian law perspective. According to the Constitution of the Russian Federation, the decision of the joining to the Russian Federation by a foreign state or its part could be made only with the mutual agreement of Russia and other interested state. The initiative on the joining of the Russian Federation of the new entity, formed on the territory of foreign state, should come from the country, and not from the part that broke away from the country. On 17th of March of

⁷⁰ Referendum in Crimea on the status of autonomy. / RIA.RU. 2014. [Electronic source] URL: https://ria.ru/spravka/20150316/1052210041.html (date of access: 01.02.2017).

⁷¹ «Royal gift»: 60 years of the transfer of Crimea to Ukraine». / BBC. 2014. [Electronic source] URL: http://www.bbc.com/russian/international/2014/02/140217 crimea ukraine transfer (date of access: 01.02.2017).

⁷² The Constitutional Court of Ukraine recognized the unconstitutional declaration on the independence of the Crimea. / Interfax. 2014. [Electronic source] URL: http://www.interfax.ru/world/366268 (date of access: 07.02.2017).

⁷³ The UN did not recognize the annexation of the Crimea to Russia. / BBC. [Electronic source] URL: http://www.bbc.com/russian/international/2014/03/140327 un crimea russia referendum illegal (date of access: 07.02.2017).

⁷⁴ 95 % of Russians approved the entry of the Crimea into Russia. / Interfax. 2016. [Electronic source] URL: http://www.interfax.ru/russia/498817 (date of access: 07.02.2017).

2014 the Russian authorities have recognized the Republic of Crimea as an independent state that, from the standpoint of Russian legislation, allowed it to sign a document without requiring the consent of Ukraine⁷⁵.

The European Commission for Democracy through Law, also known as the Venice Commission because its sessions are in Venice, is an advisory body on constitutional law created by the Council of Europe in 1990. It provided the opinion, which could be considered to be the opinion of the European Union, on the situation of the Crimea's joining of Russia, according to which the referendum of the European democratic standards should start only after the negotiations between all parties, which was not provided, highlighting that the Constitution of Ukraine has supremacy over the Constitution of Crimea and Ukraine is a unitary state⁷⁶.

The position of Ukraine is that the Constitution of Ukraine does not provide the right of the secession, respectively the output of Crimea from Ukraine is contrary to it. According to the Constitution of Ukraine, the issue of changing the borders of Ukraine should be settled only on the all-Ukrainian referendum, appointed by the Verkhovna Rada of Ukraine (Articles 72-73 of the Constitution of Ukraine)⁷⁷. The Constitutional Court of Ukraine on 20th of March 2014 acknowledged the decision of the Supreme Council of the Autonomous Republic of Crimea on the proclamation of the independence of the Crimea to be unconstitutional and declared it invalid because, in accordance with Articles 134, 135, 137, 138 of the Constitution of Ukraine⁷⁸, the Council of Ministers of the Autonomous Republic of Crimea do not have the authority to resolve issues of territorial unit, the constitutional system and state sovereignty of the republic⁷⁹.

On 17th of March 2014 the European Union imposed the first wave of sanctions against Russia after the annexation of Crimea, which it seen illegal. The EU claimed that Russia violated the territorial integrity of Ukraine and started the policy of sanctions in order to change the Russian behavior on the territory of its neighbor. The Russian position, however, is that there was a referendum, where population through the democratic procedure decided to join Russia.

The first wave of sanctions from the European Union on Russia was aimed at individuals and organizations, which were supporting the annexation of Crimea. Travel bans and asset freezes were imposed. These sanctions were referred later also to the People's Republics of Luhansk and Donetsk.

On 27th of March 2014, the General Assembly of the United Nations Organization adopted the Resolution № 68/262, which was focused on Ukrainian crisis and Crimea. In the resolution was noted that

⁷⁵ Federal Constitutional Law from 17 December 2001 G. № 6 – FKZ, Art. 4, P. 3. «On the procedure for the admission to the Russian Federation and the formation in its structure of a new subject of the Russian Federation» / Consultant.ru [Electronic source] URL:

⁷⁶ Opinion on «Whether the decision taken by the Supreme Council of the Autonomous Republic of Crimea in Ukraine to organize a referendum on becoming a constituent territory of the Russian Federation or restoring Crimea's 1992 Constitution is compatible with constitutional principles». European Commission for democracy through law (Venice Commission). – 2014.

⁷⁷ Constitution of Ukraine. / Verkhovna Rada of Ukraine. 1996. [Electronic source] URL: http://rada.gov.ua/uploads/documents/27396.pdf (date of access: 10.02.2017).

⁷⁸ Ibid.

⁷⁹ The Constitutional Court of Ukraine declared illegal the referendum in Crimea. / RBC.RU. 2014. [Electronic source] URL: http://www.rbc.ru/politics/14/03/2014/5704195c9a794761c0ce7e0f (date of access: 10.02.2017).

referendum, that has taken place in Crimea, is supposed to be not legal and the international community was asked not to consider the joining⁸⁰.

Moreover, there were some diplomatic measures among the European sanctions. For example, the 40th summit of the G7 was held on 4-5 of June 2014 in Brussels (Belgium) instead of the previously scheduled for the same date of the 40th summit of the G8 in Sochi (Russia). The summit in Sochi was cancelled and also the Russian Federation has been excluded from the G8. Furthermore, the members of the European Union took a decision to stop holding regular bilateral summits. Bilateral negotiations between Russia and the EU on the questions about visas and on the issue of the development of the New Agreement between two actors were stopped⁸¹.

The Western sanctions also included prohibition on the import into the EU of goods from Crimea and on the export of technology to it.

On 17th of July 2014, when flying through the Ukrainian territory next to the border of Russia, the Malaysia Airlines MH17 flight was shot down. After this incident and the fact that the conflict in Ukraine has not been resolved and became more violent, the second wave of sanctions was announced touching the Russian state-owned banks, which possibility to have credits in Europe was limited, and the export of technologies to Russia, which was prevented⁸². The EU companies have lost the opportunity to buy or sell new bonds, equity or other financial instruments with a maturity over thirty days, issued by such Russian banks as Sberbank, VTB, Vneshekonombank, and Rosselkhozbank. Moreover, the European Union put an embargo on the export and import of arms from the Russian Federation. The export embargo comprises the dual-use products, which could be used both for military and civilian aims, and advanced technologies provided in the industry of oil. The restrictions in trade are functioning for new contracts.

On 8th of September 2014 the economic sanctions against Russia were widened by the European Union. The restrictions related to credits were extended to three state-owned companies in the defense sphere – Oboronprom, United Aircraft Corporation and Uralvagonzavod – and three state-owned companies in the energy sphere – Rosneft, Transneft and Gazpromneft.

The EU, at first, extended economic sanctions against Russia until 31st of January 2017, then – until 31st of July 2017. Until the end of June 2017, the EU prolonged trade and visa restrictions towards Crimea, individual sanctions were extended until 15th of September 2017⁸³.

⁸⁰ Resolution adopted by the General Assembly on 27 March 2014. № 68/262. Territorial integrity of Ukraine. / The United Nations. [Electronic source] URL: http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/68/262 (date of access: 10.02.2017).

⁸¹ EU Sanctions against Russia over Ukraine Crisis. / The European Union. 2017. [Electronic source] URL: http://europa.eu/newsroom/highlights/special-coverage/eu_sanctions_en (date of access: 10.02.2017).

⁸² Bond I., Odendahl C., Rankin J. Frozen: The politics and economics of sanctions against Russia. / Centre for European Reform. – 2015. – P. 3.

⁸³ European Union prolonged sanctions against Russia. / TASS. 2016. [Electronic source] URL: http://tass.ru/mezhdunarodnaya-panorama/3886482 (date of access: 10.02.2017).

The U.S. also imposed a number of sanctions on Russia, which is based on three presidential executive orders. The first of the orders was adopted on 6th of March 2014 and the others were adopted on 17th of March and 20th of March 2014. The goals of the sanctions of America were to deepen the Russian political isolation and to provide the economic costs on the Russian activity. The emphasis was put on persons, which are close to the President Vladimir Putin, and significant areas of the Russian economic activity (state-owned banks, energy and defense companies) ⁸⁴. Sanctions against Russia were extended until March 2018 by Barack Obama.

The Russian Federation with the presence of the Western countries' sanctions decided to respond to them using the counter-sanctions. In August 2014 regarding the import of the agricultural products Russia imposed counter-sanctions on imports of meat, fruits, vegetables, and dairy products from countries that were involved in the sanctions against the Russian Federation, including the USA, Canada, Australia, Norway and the European Union⁸⁵. In addition, in December 2014, V. Putin visited Turkey and announced that Russia would not be working on the development and building of the «South Stream» project, which supposed to transport gas to Europe through the Black Sea. The Russian President called the position of the EU regarding the construction of the pipeline non-constructive⁸⁶.

In June 2016, Vladimir Putin signed a decree on the extension of the product embargo until 31st of December 2017 with the aim to protect the national interests of the Russian Federation⁸⁷.

On 5th of September 2014 in Minsk, was signed the document with the participation of Russia, Ukraine, Donetsk and Luhansk regions and the representatives of the OSCE, providing for a ceasefire in the Donetsk and Luhansk regions of Ukraine⁸⁸. Despite the signing of the protocol, the fighting continued in the Eastern part of Ukraine in the period of its validity.

The position of the self-proclaimed People's Republics of Luhansk and Donetsk can be revealed from the statements of the leaders of states, which note that Republics have faced direct armed aggression of Ukraine, aimed at suppressing their sovereignty over the people carrying out the genocide of the Russian-speaking population on the territory of formation and financed by the Western countries⁸⁹.

In addition, at the summit in Minsk on 11th-12th of February 2015 the set of measures to implement the Minsk agreement was agreed by the leaders of Germany, France, Ukraine and Russia in the «Normandy format»

⁸⁴ Oxenstierna S., Olsson P. The economic sanctions against Russia. Impact and prospects of success. / Swedish Defence Research Agency. – 2015. – Pp.16-19.

⁸⁵ Wang W. Impact of Western sanctions on Russia in the Ukraine Crisis. // Journal of Politics and Law. Canadian Center of Science and Education. – Vol. 8. – 2015. – № 2. – P. 3. P. 6.

⁸⁶ Putin stated that it is impossible to build «South Stream». / LENTA.RU. 2014. [Electronic source] URL: https://lenta.ru/news/2014/12/01/potok/ (date of access: 11.02.2017).

⁸⁷ Decree of the President of the Russian Federation from June 29, 2016 № 305 «On the extension of the operation of certain special economic measures to ensure the security of the Russian Federation». / State system of legal information. [Electronic source] URL: http://publication.pravo.gov.ru/Document/View/0001201606290006 (date of access: 11.02.2017).

⁸⁸ Protocol on the results of consultations of the Trilateral Contact Group, signed in Minsk, 5 September 2014. / OSCE. [Electronic source] URL: http://www.osce.org/home/123257 (date of access: 11.02.2017).

⁸⁹ Statement of the leadership of the Donetsk People's Republic. / Communist Party of the Russian Federation. 2014. [Electronic source] URL: https://kprf.ru/international/ussr/130353.html (date of access: 11.02.2017).

and signed by the contact group, consisting of the representatives of Ukraine, Russia, the OSCE and the Donetsk and Luhansk People's Republics, with the aim of de-escalation of the armed conflict in the Eastern Ukraine⁹⁰.

Thus, the events in Ukraine in 2014 linked to the signing of the Association Agreement between Ukraine and the EU led to the imposition of sanctions on Russia by the Western countries. The sanctions were a response to the Russia's annexation of Crimea, which was conducted after the referendum, on which the majority of the population expressed the desire to join the Russian Federation. In connection with the events in Ukraine, the relations between Russia and the Western countries worsened and sanctions and counter-sanctions were imposed. The economic sanctions deepened the loss of trust between the EU and the USA on the one hand and Russia on the other hand. The actors of the conflict strictly adhere to their opinions and are unlikely to change it. The great achievement for all parties was the adoptance of the Minsk agreements. In addition, not all the Member States of the European Union endorse the sanctions because they cause economic losses. Perhaps, these contradictions will allow lifting the sanctions in the future.

⁹⁰ Package of measures for the implementation of the Minsk Agreements. / OSCE. 2015. [Electronic source] URL: http://www.osce.org/cio/140156 (date of access: 11.02.2017).

3. Relations between the Russian Federation and the Italian Republic

3.1. Relations between Russia and Italy in the historical perspective

3.1.1. History of development of the Russian-Italian relations

Relations between Russia and Italy have a special strategic character⁹¹, long history, and general atmosphere of trust.

Diplomatic relations between Russia and Italy were established in 1924, then in 1941 they were interrupted in connection with the Italy's participation in the Second World War on the side of the Axis Powers. In 1944, relations were restored. In 1994, the Treaty on Friendship and Cooperation between the two states was signed.

Relations between Russia and Italy are developing in various fields, such as culture, trade, energy, diplomacy, industry, antiterrorist actions, and others.

It is worth noting also the mutual good attitude between the Russians and the Italians. The two nations are very close in spirit and friendliness. This is also confirmed at the political level by the fact that with all the governments of Italy over the past 15 years, very trusting relations have been established, regardless of the political affiliation of each of the victorious parties. Between the President of the Russian Federation and the Prime Minister of the Italian Republic the meetings are held. Moreover, the Foreign Ministers maintain a dialogue among themselves, which indicates the interest of the two sides in it and in each other ⁹².

The existing warm relations are present because of the economic ties that were established, friendly image formed in nations with respect to each other, and the situation that countries do not interfere in the spheres of influence of each other.

However, relations between Russia and Italy began to develop long before the establishment of the diplomatic relations between the USSR and Italy in 1924. It is generally considered that the history of relations between the two countries has at least 500 years. Thus, in the X-XII centuries, the Russian cities had connections with the Italian city-states⁹³.

In the XV century, because of the threat of invasion by Muslim Turks, the Vatican made attempts to create an alliance with the Orthodox Church. In 1438, the Ferrara-Florentine Cathedral was convened, in which the head of the Russian church Metropolitan Isidor was also present. However, the concluded union of the Catholic and Orthodox churches was not accepted by the Russian society⁹⁴.

In addition, many Italians have visited Russia. It should be noted that the Italian masters rendered great influence on the architecture of Russia. The Cathedral of the Assumption Cathedral in the Moscow Kremlin was

⁹¹ Foreign Minister Sergey Lavrov's interview with Italian media, Moscow, December 9, 2015. / The Ministry of Foreign Affairs of the Russian Federation. [Electronic source] URL: <a href="http://www.mid.ru/foreign_policy/news/-asset_publisher/cKNonkJE02Bw/content/id/1968020?p_p_id=101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw languageId=en_GB (date of access: 04.03.2017)."

92 Ibid.

⁹³ Zonova T. V. History of foreign policy of Italy: textbook. – M.: Mezhdunarodnyue Otnosheniya, 2016. – P. 275.

⁹⁴ History of the Russian-Italian diplomatic relations. / Consulate-general of Russia in Milan. [Electronic source] URL: http://www.rumilan.com/article.sdf/ru/servis/2635 (date of access: 04.03.2017).

built by the Italians under the leadership of Aristotle Fioravanti from Bologna. The Italian architects M. Ruffo and P. Solari became the authors of the Faceted Chamber in Kremlin, a building that was used for royal diplomatic receptions. Moreover, the Italian architects created their works in St. Petruburg, including Domenico Trezzini (Peter and Paul Cathedral, Peter's Summer Palace in the Summer Garden, Twelve Colleges and others) Francesco Bartolomeo Rastrelli (Winter, Stroganov, Vorontsov palaces, Catherine Palace in Tsarskoye Selo and others), Antonio Rinaldi (Marble Palace, Prince Vladimir Cathedral, St. Catherine's Cathedral and others), Giacomo Quarenghi (the Hermitage Theater, the Academy of Sciences, the Alexander Palace in Tsarskoe Selo and others), Carlo Rossi (Mikhailovsky Palace with Square of Arts and Mikhailovskaya Street, Senate Square with the Senate and the Synod and others).

The relations between the countries were intensified during the reign of Peter the Great, who was interested in the European states and their arrangement, as well as, in particular, the potential of the Maritime Republics of Genoa and Venice. In addition, in Venice in 1711, the second consulate of Russia in the world after Amsterdam was established.

Catherine II was also interested in developing relations with Italian states. She sent the Orlov brothers to Italy, who visited incognito several cities and established contacts with the political representatives.

In 1783, the diplomatic relations between Russia and the Sardinian Kingdom were established⁹⁵.

In the early XIX century, the King of Sardinia, Charles Emmanuel III, appointed Count Gaetano Balbo as an extraordinary envoy to St. Petersburg. Suvorov, who was in Italy, was pushing to this step, and strongly recommended to send an envoy to St. Petersburg. Gaetano Balbo arrived in St. Petersburg on an assignment to obtain financial assistance from Russia for the King of Sardinia. The Emperor of Russia Paul I in the same year sent to Charles Emmanuel III 300000 rubles. Since then, for fifteen years, the St. Petersburg's government has consistently and regularly subsidized the King of Sardinia. This subsidy was accounted in the budget and was used not only for the financial support of the Savoy House, but also for the expenses, which were necessary to maintain the embassies and missions of Piedmont in foreign courts. These expenses Sardinia could not afford to cover. In addition, the Emperor of Russia Alexander I invited all foreign courts to follow the example of Russia and pay the King of Sardinia a non-repayable monetary loan. Only English and Portuguese courts responded to the appeal of Russia. However, Portugal soon stopped this assistance and Russia assumed its financial obligations. Sardinia received from Russia annually 240000 lire until 1814.

Nevertheless, the relations between the two actors worsened during the Crimean War, in which the Sardinian kingdom acted on the side of the alliance of Britain, France and Turkey. After the Crimean War in 1856 with the accession to the throne of the Russian Emperor Alexander II the relationships resumed.

As for the Italian states and their future in Russia there were several opinions. For instance, according to Gorchakov, the Minister of Foreign Affairs of the Russian Empire, on the territory of the peninsula there should be two states – one would unite the Northern Italy and the other would include the Southern Italy. However, in

⁹⁵ Zonova T. V. History of foreign policy of Italy: textbook. – M.: Mezhdunarodnyue Otnosheniya, 2016. – Pp. 276-282.

⁹⁶ History of the Russian-Italian diplomatic relations. / Consulate-general of Russia in Milan. [Electronic source] URL: http://www.rumilan.com/article.sdf/ru/servis/2635 (date of access: 04.03.2017).

1861, the establishment of the Kingdom of Italy was proclaimed, which was composed of both Southern and Northern territories. In 1862, Russia recognized the Kingdom of Italy, and the countries exchanged the diplomatic missions. After that the trade agreement between two actors was signed.

Then, Russia and Italy turned out to be in different blocs, the Entente and the Triple Alliance. Nevertheless, political relations were maintained, and in 1909 the Emperor of Russia Nicholas II visited Italy. The Russian and the Italian leaderships found something common in their views on the international situation and order in the sense that they shared similar opinion about Austria-Hungary, which intended to annex Bosnia and Herzegovina. Both rulers found this possibility to be outrageous. Besides, Russia and Italy signed a secret agreement with the intention of preserving the alignment of forces in the Balkans.

3.1.2. The Russian-Italian relations in the Soviet period

After the revolution in Russia in 1917, the Italian state did not recognize the Soviet Republic, and the Italian ambassador left Russia. However, in 1919, the Italian Prime Minister, Francesco Saverio Nitti, noted the need to resume relations with Russia. The countries were interested in the development of economic relations, which was the reason for their rapprochement. The parties intended to conclude a trade agreement. Negotiations on this matter were conducted in secret in connection with Italy's unwillingness to provoke other Western countries that were not in hurry to establish diplomatic relations with Russia until it recognized the debts of the tsarist government and the Provisional Government. As a result, in 1924 the Italian-Soviet Treaty on Trade and Navigation was signed, which referred to the establishment of the diplomatic and consular relations between Italy and the USSR. Italy is a country that needs energy resources because it lacks of its own resources of this industry on its territory. Russia is a country rich in energy resources. Hence it is clear that the Soviet Russia supplied oil to Italy, as well as grain. Italy produced cotton, footwear, and vegetable oil and exported it to the Soviet Union.

In 1933, the Treaty on Friendship, Non-Aggression and Neutrality between Italy and the USSR was signed, which lasted until 1941, when Italy opposed the USSR in the war. This agreement was signed by the USSR ambassador to Italy V. Potemkin and the head of the Italian government B. Mussolini. The initiator of the negotiations was the Italian government. Italy sought to maintain and develop relations with the USSR. Articles of the treaty obliged the parties not to attack each other, to respect each other's territorial integrity and to observe neutrality in the attack of third powers on one of them during the entire conflict.

After the fascist government lost power in Italy, attempts were made to restore relations with the USSR from the position of the economic interests, that is, the purchase of the cheap raw materials, the possibility of pressure with the help of the USSR on allies to soften the terms of the truce. In 1944, the head of the Italian Communist Party, Palmiro Togliatti, arrived in Moscow, where he had a conversation with Stalin. The General Secretary of the Central Committee of the Communist Party of the Soviet Union Joseph Vissarionovich Stalin advised him to return to Italy, to abandon attempts to hold a revolution there and to enter the government.

Relations between the USSR and Italy were established in March of 1944. They were called direct, and not diplomatic, so as not to cause a sharp condemnation of the Allies. The American ambassador expressed his dissatisfaction with the fact that actions against Germany were still going on and stressed that it was necessary to notify the Advisory Council about the actions against Italy. In addition, it was stated that Italy couldn't enter into an agreement with any state without the consent of the Supreme Allied Commander. On 25th of October, the Soviet government raised the level of relations between the USSR and Italy to the diplomatic ones⁹⁷.

However, relations between the USSR and Italy during this period were not easy. Thus, Churchill's speech in Fulton about the «iron curtain» escalated the situation and led to a negative perception of the USSR. Opponents of Communists and Socialists in the political arena of Italy feared that the left forces will prevail and will be led from the Soviet Union. The radical communists of Italy accused Palmiro Togliatti of abandoning the revolution.

Since the 1950s, Italy began importing oil from the Soviet Union.

A significant event for the Soviet-Italian relations occurred in 1966. A contract was signed between the Soviet Ministry of Automotive Industry and the Fiat on the construction of the Volzhsky car factory.

The period of perestroika in the USSR opened new paths and brought new hopes. Italian businessmen were interested in an even greater opening of the Soviet market for the Italian goods.

Of great importance are also the relations between the USSR and the Vatican. State atheism as one of the elements of Soviet politics was not accepted by the Vatican and was the reason why the relations were not established. Nikita Khrushchev, the First Secretary of the Central Committee of the Communist Party of the Soviet Union, however, noted positively the Pope's position, which coincided with the Soviet point of view in the aspect of the course on peaceful coexistence. In 1989, Nikita Sergeevich Khrushchev met with John Paul II. It was decided to establish bilateral relations between the USSR and the Vatican. Because of the position of the Russian Orthodox Church, relations were called official and raised to the diplomatic level in 2009⁹⁸.

3.1.3. The contemporary Russian-Italian relations

In 1994, the main document of bilateral relations between Russia and Italy, the Treaty on Friendship and Cooperation, was signed. In this document, as well in the «Action Plan between the Russian Federation and the Italian Republic», adopted on 10th of February of 1998, were laid down the basic principles of the bilateral relations⁹⁹. The Treaty on Friendship and Cooperation between the Russian Federation and the Italian Republic was signed on 13th of October 1994 and entered into force on 22nd of May 1997. It states that the parties rely on long-standing traditions of friendship, cooperation, sympathy and cultural enrichment between countries, take into account the need to build relationships between states on the basis of universal values of democracy,

⁹⁷ Zonova T. V. History of foreign policy of Italy: textbook. – M.: Mezhdunarodnyue Otnosheniya, 2016. – P. 284-300.

⁹⁸ Ibid. Pp. 300-314.

⁹⁹ The Russian-Italian relations. / Ministry of Foreign Affairs of the Russian Federation. [Electronic source] URL: http://www.mid.ru/ru/maps/it/?currentpage=main-country (date of access: 04.03.2017).

freedom, respect for human rights, are determined to contribute to the realization of the purposes and principles of the Charter of the United Nations and note its authority as a guarantor of the maintenance of international peace and security. The countries agreed that they will develop their relations as friendly states, are determined to resolve possible disputes by peaceful means, in the event of situations creating, in the opinion of one of the Parties, a threat to peace or international security, Russia and Italy will inform each other and coordinate among themselves the necessary initiatives to ease the tensions and resolve these situations. In addition, the treaty concentrates on the importance of the political dialogue between countries, the need to develop contacts on the military line, expand and deepen economic, industrial, financial, scientific and technical cooperation, cooperation in the fields of energy, nuclear safety, ensuring the safety of industrial production, science and advanced technologies, the fight against organized crime and terrorism, culture and environmental protection. The parties agreed on comprehensive assistance to youth exchanges. With regard to the European Union, it is noted that the European Union has a fundamental role in creating a single economic space in Europe, and Italy will promote the development of relations between Russia and the European Union, as well as with the international financial and economic organizations in order to integrate the Russian Federation into the European and world economy. In addition, the treaty states that each of the parties intends to facilitate the visa regime on the basis of reciprocity for another country. The contract is concluded by the parties for 20 years and has an automatic extension for five years, if there would not be the willingness of a party to terminate it, in this situation there should be a written notice for another country one year before the expiration of the term 100.

The efficient instrument of relations between the two states across the whole spectrum of relations was interstate summits and intergovernmental consultations at the highest level. At the inter-parliamentary level, the Russian-Italian cooperation is taking place within the framework of the forum – the Large Interparliamentary Commission, co-chaired by the deputies of the Chairman of the Chamber of Deputies of Italy and the State Duma¹⁰¹. Since 2002, there is a direct line between the Kremlin and the Palace of Chigi (the residence of the Chairman of the Council of Ministers of Italy). In 2010, the meetings of foreign and defense ministers of Russia and Italy in the «two plus two» format were initiated¹⁰².

It should be noted that in foreign policy, the Italian government is focused on harmonizing its positions with the European and Atlantic partners, being a member of the European Union. At the same time, the country's leadership is convinced of the need to conduct a permanent and multisectoral dialogue with Russia as an important partner. This position is clear even in the contemporary situation in economic and political spheres, when the European Union and the Russian Federation are in the state of the frozen conflict and sanctions and counter-sanctions due to the Ukrainian case and the actions and opinions of the parties toward it.

¹⁰⁰ Treaty of friendship and cooperation between the Russian Federation and the Italian Republic (Moscow, 14 October, 1994). / Ministry of Economic Development of the Russian Federation. [Electronic source] URL: http://www.ved.gov.ru/rus_export/partners_search/torg_exp/?action=showproduct&id=450 (date of access: 04.03.2017).

¹⁰¹ Zonova T. V. Russia and Italy: suggestions on the development of partnership. Analitical note. / Russian Foreign Affairs Council. – 2014. – P. 6.

¹⁰² Zonova T. V. History of foreign policy of Italy: textbook. – M.: Mezhdunarodnyue Otnosheniya, 2016. – P. 316.

Russia and Italy have a long history of bilateral relations, which were concentrated mostly on the economic side, but also were developed in the political, cultural, military, energy and other spheres. There were periods, when two countries experienced the deterioration of their relations, but they understood the significance of each other as partners and restored them.

3.2. Relations between Russia and Italy in the economic sphere

The relations in the economic field are very important for the countries and seem to have an influence on the rapprochement of partners to each other in some periods of history.

There are various organizations of governmental and non-governmental character that are involved in the process of development of the economic relations between Russia and Italy.

The Russian-Italian Council on Economic, Industrial, Monetary and Financial Cooperation has become an effective mechanism for economic interaction between the two countries¹⁰³. Under its auspices, in accordance with the Treaty on Friendship and Cooperation between the Italian Republic and the Russian Federation, the Russian-Italian Committee of Entrepreneurs was established. The co-chairman of the Russian-Italian Committee of Entrepreneurs on the Russian side is the vice-president of the Russian Chamber of Commerce and Industry, Dmitry Kurochkin, on the Italian side – the president of the Italian-Russian Chamber of Commerce, Rosario Alessandrello.

The 14th meeting of the Russian-Italian Council on Economic, Industrial, Monetary and Financial Cooperation was held in October of 2016. Prior to this meeting was held in 2012. The former Foreign Minister and the present Prime Minister of Italy Paolo Gentiloni noted that there are difficulties in bilateral relations, but the Russian economy, at the same time, is important for the Italian companies¹⁰⁴. This illustrates that, despite the sanctions and counter-sanctions, the countries are trying to hold a dialogue with each other and continue to cooperate.

Among the organizations, providing the economic relations between Russia and Italy, there is the Italian-Russian Chamber of Commerce, which is located in Moscow. This organization has a goal to promote economic, trade, technical, legal, scientific and cultural cooperation between Italy and Russia, and create a trusting atmosphere for maintaining fruitful cooperation between the Italian and Russian entrepreneurs. It carries out activities aimed at supporting Russian business in Italy and Italian business in Russia. The Italian-Russian Chamber of Commerce cooperates with the embassies of both countries and such state offices as the Chamber of Commerce and Industry, the Institute of Foreign Trade of Italy, the Institutes of Culture, etc. The Chamber begins its history with the Italian-Soviet Chamber of Commerce, which was established in 1964 on the initiative of various Italian and Soviet foreign trade companies. To be more detailed, in 1964, a number of Italian

 $^{^{103}}$ Zonova T. V. Russia and Italy: suggestions on the development of partnership. Analytical note. / Russian Foreign Affairs Council. -2014. – Pp. 5, 8.

¹⁰⁴ The meeting of the Italian-Russian Cooperation Council will be held in October. / RG.RU. 2016. [Electronic source] URL: https://rg.ru/2016/04/16/zasedanie-italo-rossijskogo-soveta-po-sotrudnichestvu-projdet-v-oktiabre.html (date of access: 04.03.2017).

companies, such as Fiat, Snia, Montecatini, Edison, Pirelli, Olivetti and ENI, together with the USSR Chamber of Commerce and Industry and Soyuznefteexport, Mashinoimport, Techmashimport and Vneshtorgbank, and with the participation of other major Soviet and Italian organizations, signed an agreement on the formation of the partner constituent council of the Chamber. The Moscow representation of the Chamber, chaired by Giulio Andreotti, the head of the Italian Council of Ministers, was opened in 1972. In 1992, it was renamed the Italian-Russian Chamber of Commerce. In 2014, the Chamber celebrated its 50th anniversary¹⁰⁵.

There is also the Trade Mission of the Russian Federation in Italy operating under the guidance of the Ministry of Economic Development, which is located in Rome. The mission of this organization is the development of trade and economic relations between two countries.

In addition, in Italy there is a structure called the Italian trade agency, which promotes and supports the Italian business abroad. This structure also has an office in Moscow.

In 2015, Confindustria Russia was established. Its purpose is to represent the interests of the Italian business community on the territory of the Russian Federation. The Association performs activity in order to help Italian companies to operate in Russia, create joint ventures, and localize production in Russia. Moreover, it unites Italian companies, leading businesses in Russia, as well as Italian companies that intend to enter the Russian market. Since 2016, the membership in the Association has been open to the Russian companies for more effective interaction between entrepreneurs of Russia and Italy, as well as with the aim of realizing Russian-Italian projects both in Russia and in Italy. Confindustria Russia conducts work on informing about unique business opportunities in Russia through organization of conferences, round tables, participation in various forums and exhibitions, cooperates with federal, regional and municipal authorities in Russia and Italy, with the Russian and Italian companies, universities, banks, business associations and organizations¹⁰⁶.

Italy is one of the leading countries in the European Union.

The Italian economy relies on the production of consumer goods of high quality made by small and medium enterprises.

In 2016 the population of Italy is counted approximately 61 million. In the capital of Italy, Rome, there are about 4 million people¹⁰⁷.

Italy ranks 11^{th} in comparison of the GDP (PPP) in the world in 2015 with 2260233 (million international \$)¹⁰⁸.

In 2015 the GDP of the country rose to $0.7 \%^{109}$.

In 2016, the composition of the GDP of Italy consisted of agriculture for 2,2 %, industry – for 23,9 %, services – for $73.8 \%^{110}$.

¹⁰⁵ The Italian-Russian Chamber of Commerce. About us. [Electronic source] URL: http://ccir.mosca.ru/o-nas (date of access: 04.03.2017).

¹⁰⁶ Confindustria Russia. About us. [Electronic source] URL: http://confindustriarussia.it/ru/chi-siamo/mission/ (date of access: 04.03.2017).

¹⁰⁷ ISTAT. [Electronic source] URL: http://dati.istat.it/ (date of access: 04.03.2017).

¹⁰⁸ GDP ranking, PPP based. / The World Bank. 2017. [Electronic source] URL: http://data.worldbank.org/data-catalog/GDP-PPP-based-table (date of access: 04.03.2017).

¹⁰⁹ The World Bank. [Electronic source] URL: http://data.worldbank.org/ (date of access: 04.03.2017).

However, country has some substantial problems and weak points of economy, including slow pace of the economic growth, high unemployment of young people and women, organized crime, corruption, and geographical inequality between southern and northern territories. Italy has a big public debt, which has been increasing steadily since 2007, reaching 132 % of GDP in 2015. In 2015, the GDP of Italy fell and presented the level of the early 2000s. Investments decreased significantly and more notably than in the rest of Europe. Unemployment, on the contrary, increased considerably, while the total factor productivity proceeded to decrease¹¹¹.

Nevertheless, a gradual recovery is observed since 2015. According to the OECD analytics, the Italian economy will experience a growth by 0,9 % in 2017 and 1 % in 2018¹¹².

The model of the economic development of Italy is based on the strategy of the flexibility and the development of a wide network of small enterprises, but with high profitability. Thus, 24 % of all European enterprises are located in Italy, 16 % – in the UK, 15 % – in Spain, 14 % – in Germany¹¹³.

Italy is energy dependent on Russia. In 2015, about 13 % of the Italian oil imports and 46 % of its natural gas imports by volume came from Russia. From this is following that for Italy one of the risks of continuing of tensions can be represented by the possibility of interruptions of oil and gas supplies from Russia¹¹⁴.

Russia ranks 6th in the comparison of the GDP (PPP) in the world with 3579826 (million international \$)¹¹⁵.

From 2013 to 2015 Russia suffered a decrease of the GDP with sharp decline in 2015 to 3,7 % 116.

In 2016, according to the Federal State Statistics Service of the Russian Federation, the population was 146,5 million people. It is bigger than in 2009 by 3,2 million people¹¹⁷. In Moscow, as of January 1st of 2017, the population was approximately 12 million people¹¹⁸.

In 2016, the composition of the GDP of Russia consisted of agriculture for 4,7 %, industry – for 33,1 %, services – for 62,2 %¹¹⁹. In comparison with the composition of the GDP of Italy, Russia's sector of services is not developed very well. That means that Italy is more advanced in the terms of the features of the post-

¹¹⁰ The World Factbook. Italy. / Central Intelligence Agency. 2017. [Electronic source] URL: https://www.cia.gov/library/publications/the-world-factbook/geos/it.html (date of access: 04.03.2017).

¹¹¹ Country Report Italy 2016. Including an in-depth review on the prevention and correction of macroeconomic imbalances commission staff working document. / The European Comission. – 2016. – P. 1.

¹¹² Italy - economic forecast summary (November 2016). / The OECD. [Electronic source] URL: http://www.oecd.org/eco/outlook/italy-economic-forecast-summary.htm (date of access: 04.03.2017).

 $^{^{113}}$ At the crossroads of the Mediterranean: «Italian boot» aacing the challenges of the XXI century / Edited by T. V. Zonova. – Russian Academy of Sciences. Institute of Europe. – M.: Publishing house «Ves' Mir». – 2011. – P. 310.

¹¹⁴ Italia in the international economy. Research ICE 2015-2016. / ICE. – 2016. – P. 127.

¹¹⁵ GDP ranking, PPP based. / The World Bank. 2017. [Electronic source] URL: http://data.worldbank.org/data-catalog/GDP-PPP-based-table (date of access: 04.03.2017).

¹¹⁶ The World Bank. [Electronic source] URL: http://data.worldbank.org/ (date of access: 04.03.2017).

¹¹⁷ Population. / The Federal State Statistics Service of the Russian Federation. [Electronic source] URL: http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/en/figures/population/ (date of access: 04.03.2017).

¹¹⁸ Population. / The Territorial Body of the Federal State Statistics Service of the Russian Federation in Moscow. [Electronic source] URL: http://moscow.gks.ru/wps/wcm/connect/rosstat_ts/moscow/ru/statistics/population/ (date of access: 04.03.2017).

¹¹⁹ The World Factbook. Russia. / Central Intelligence Agency. 2017. [Electronic source] URL: https://www.cia.gov/library/publications/the-world-factbook/geos/rs.html (date of access: 04.03.2017).

industrial society than Russia because the post-industrial society implies the increase of share of the tertiary sector of economy (services).

Russia is a young democratic state with market economy compared to some Western states with the fact that it was a part of the Soviet Union, which collapsed in 1991 and had communism as a government ideology and planned economy.

It has some problems of economic and political character, which include corruption, lack or slow modernization and development of technology, dependence on selling oil and gas, weak development of small and medium business.

In Russia was observed the rise of inflation. In 2014, consumer price inflation in Russia was 11,4 % and it was the highest number since 2008. The main factors of growth in food prices were the increase in world prices for dairy products and raw sugar, trade restrictions on pork imports, the first wave of the weakening of the ruble in the end of 2013, introduction of counter-sanctions¹²⁰. The inflation rate of consumer prices in 2015 a year after the conflict in Ukraine was 15,5 %. In 2016, however, the figure reduced to 7,2 %¹²¹.

The territory of Russia is the biggest in the world. It plays a significant role on the post-Soviet territory and maintains relations with countries such as Belarus, Kazakhstan and others. It also cooperates with China, Brazil and South Africa in the organization such as BRICS. One of the prioritized partners of Russia is the EU.

An important event for Russia and the world is Russia's accession to the WTO in 2012. The Russian Federation has been seeking the membership in the WTO for long 18 years. It was the biggest economy outside this organization. Russia had to satisfy several preconditions, to adjust its legislation before joining the WTO. Some experts claim that the Russian accession to the WTO was mostly due to political reasons because it increases the prestige of the country, allows to influence the process of making international trade rules, improves business image of the country, provides the ability for the country to participate more in international trade deals¹²². From the economic aspect, Russia can experience the increase of FDI, improvements of competitiveness and productivity, the positive changes for consumers (increase of quality of domestic goods because of the competition and decrease of tariff rates). Russian products will have a free access to the world market, what is advantageous for domestic producers, and this could be an impetus to the diversification of the economy in order not to be so dependent on revenues from export of oil and gas. Also the membership in the WTO gives Russia the access to the system of solving trade disputes. For other countries there are also some advantages in the Russian accession to the WTO. Firstly, Russian joining the WTO can provide a better climate for business development. Secondly, Russia will be integrated into the system of trade rules. Thirdly, it will

¹²⁰ Monitoring «On the results of the socio-economic development of the Russian Federation in 2014». / Ministry of Economic Development of the Russian Federation. – 2015. – P. 13. [Electronic source] URL: http://economy.gov.ru/wps/wcm/connect/97fcd9bd-03b8-4c66-a02f-

¹¹⁷d69e48429/Итоги 2014.pdf?MOD=AJPERES&CACHEID=97fcd9bd-03b8-4c66-a02f-117d69e48429 (date of access: 20.02.2017).

¹²¹ Ibid.

¹²² Kirsanov S., Safonov E. The consequences of Russia's accession to WTO: conclusions and recommendations. // European Scientific Journal. -2014. -№ 16. -P. 196. [Electronic source] URL: http://eujournal.org/index.php/esj/article/viewFile/3521/3293 (date of access: 04.03.2017).

result in easing of access of foreign products into the Russian market, customs fee for imported goods to Russia will be decreased. Fourthly, other countries will be able to solve trade disputes with Russia within the WTO system of solving trade disputes. Thus, accession to the WTO by Russia has some positive moments both for Russia and other actors in the international arena. However, the international situation presents the latent conflict with the West, which slows down all the positive processes linked to the Russian joining of the WTO.

The Russian Federation holds the leading positions in producing oil and natural gas because it is rich in energy resources. Russian energy companies are located on the top of the list of the biggest oil and gas companies. Gazprom and Rosneft take two first places and Russia products more oil and gas than any other region¹²³. It is dependent on the export of oil and gas and sensitively reacts to the changes of prices on commodities.

Italy is one of the largest trade and economic partners of Russia in Europe, it is on the fourth place in terms of commodity turnover after China, Germany and the Netherlands. According to the Ministry of Economic Development of the Russian Federation, in 2015, the trade turnover between the countries amounted to \$30,6 billion (Russian exports – \$22,3 billion, imports – \$8,3 billion), having decreased by 36,2 % in comparison with the previous year. This situation is observed as an effect of the sanctions that had an impact on economic relations. The main share of the Russian exports is gas, chemical products, food products and agricultural raw materials, ferrous and non-ferrous metals. To Russia are imported machines, equipment and transport vehicles, chemical products, foodstuffs and agricultural raw materials, textiles and footwear¹²⁴.

The export to Russia from Italy, as had already been noted, in 2015 fell by €3,6 billion. Of these, €3,5 billion are because of the decline in manufacturing exports. Equipment (-€648,3 million), clothing (-€539,2 million), vehicles (-€399,1 million), footwear and leather products (-€369,4 million), metal products (-€259,8 million), furniture (-€230,2 million) and electrical appliances (-€195,7 million) were sectors, where volumes of trade in absolute terms experienced large reductions ¹²⁵. The trade embargo imposed by Russia cost €240 million to the agricultural sector of Italy ¹²⁶.

As part of the development of the economic relations, large industrial facilities have been built in Russia in collaboration with the Italian firms. These include automotive plant in Togliatti, pipe plant in Volzhsk, chemical complexes for the production of ammonia and carbamide, compressor stations for gas pipeline Siberia-Western Europe, leather and shoe factories in Ryazan, Kaluga, Moscow and Togliatti, polypropylene production plant in Moscow, complex of processing and packaging equipment of agricultural production in the Kemerovo

access: 20.03.2017).

¹²³ The 25 biggest oil and gas companies in the world. / The Forbes. 2016. [Electronic source] URL: https://www.forbes.com/sites/rrapier/2016/03/30/the-worlds-largest-public-oil-and-gas-companies/#67ac91753173 (date of access: 29.03.2017).

¹²⁴ The Russian-Italian economic relations. Dossier. / TASS. 2016. [Electronic source] URL: http://tass.ru/info/1808234 (date of access: 04.03.2017).

¹²⁵ Sanctions and embargo, Russia costed Italy 3,6 billion. / La Repubblica. 2016. [Electronic source] URL: http://www.repubblica.it/economia/2016/03/26/news/export_russia_sanzioni_embargo-136323510/ (date of access: 20.03.2017). 126 The Russian-Italian economic relations. Dossier. / TASS. 2016. [Electronic source] URL: http://tass.ru/info/1808234 (date of

region, plant for the production of washing machines and refrigerators in Lipetsk, and ceramic plant of tile in Moscow¹²⁷.

In 2011, in the automotive sector the Russian company Center-Capital and the Italian leasing company Rototech signed an agreement on the establishment of the Rototech-Kama joint venture in Naberezhnye Chelny to produce plastic components for KAMAZ and other enterprises of the automotive industry.

In addition, KAMAZ cooperates with the Italian company Case New Holland in the production of the agricultural and construction machinery.

In 2013, Rostec, the Russian state corporation, with the Italian tire manufacturing company Pirelli opened a high-tech line for the production of automobile tires based on the Kirov and Voronezh tire plants¹²⁸.

The Russian automotive company Sollers cooperates with the Italian company FIAT, specialized in manufacturing of cars, in the production of the commercial and passenger cars and diesel engines¹²⁹.

In Russia there are more than 400 companies with the Italian capital. In 2015, the Italian investment in Russia was more than \$1,1 billion, the Russian investment in Italy counted for more than \$2,3 billion¹³⁰.

There is also cooperation in the financial sector between two countries. The Unicredit Russia is the first foreign bank in the country, while bank Intesa in Russia is among the top five institutions for lending to small and medium enterprises. There are also presented in the country the representative offices of such banks as Monte dei Paschi di Siena, Iccrea, Mediobanca, Banco Popolare, Banca Popolare di Vicenza, UBI Banca¹³¹.

Between the state corporation «Bank for Development and Foreign Economic Affairs (Vnesheconombank)» and the Italian bank Intesa Sanpaolo SpA, was signed a loan agreement providing for the allocation of up to €100 million, the purpose of which was the lending to Russian small and medium-sized businesses¹³². In 2014, Sberbank and Italian Mediobanca signed an agreement on the development of the long-term cooperation in the field of the investment projects and trade finance. In 2014, Gazprom signed a loan agreement with UniCredit Bank for a total of €390 million¹³³.

Another area of cooperation is the investments, which are made by two countries in each other economies.

 $^{^{127}}$ Zonova T. V. Russia and Italy: suggestions on the development of partnership. Analytical note. / Russian Foreign Affairs Council. $-\,2014.-Pp.\,8-9.$

 $^{^{128}}$ The Russian-Italian economic relations. Dossier. / TASS. 2016. [Electronic source] URL: $\underline{\text{http://tass.ru/info/1808234}}$ (date of access: 20.03.2017).

¹²⁹ History of the Russian-Italian diplomatic relations. / Consulate-general of Russia in Milan. [Electronic source] URL: http://www.rumilan.com/article.sdf/ru/servis/2635 (date of access: 04.03.2017).

¹³⁰ The Russian-Italian economic relations. Dossier. / TASS. 2016. [Electronic source] URL: http://tass.ru/info/1808234 (date of access: 20.03.2017).

¹³¹ Relations between Italy and Russia. / The Ministry of Foreign Affairs and International Cooperation. [Electronic source] URL: http://www.esteri.it/mae/it/politica_estera/aree_geografiche/europa/i_nuovi_rapporti.html (date of access: 20.03.2017).

¹³² Vnesheconombank and Italian bank Intesa Sanpaolo have signed a loan agreement for up to 100 million euros./ RBC.RU. 2009. [Electronic source] URL: http://www.rbc.ru/rbcfreenews/20091203155220.shtml (date of access: 20.03.2017).

¹³³ The Russian-Italian economic relations. Dossier. / TASS. 2016. [Electronic source] URL: http://tass.ru/info/1808234 (date of access: 20.03.2017).

Italy is formally not included in the top ten investment-active countries on the Russian market. This is due to the peculiarity of the Italian economy, which is based on the small and medium-sized enterprises. Such enterprises are not able to develop large-scale investment activity in the territory of other countries¹³⁴.

However, Italy is among the first five foreign investors by the number of projects in Russia in 2015, where Germany holds the first place (36 projects), then there are USA (29), France (20), Italy and China (12 for each)¹³⁵.

According to the statistical data of the Central Bank of the Russian Federation, investments from Italy to Russia in 2016 amounted to \$1271 million, which is bigger compared to 2015 (\$1022 million), and also compared to 2014 (\$1158 million). Thus, the investments from Italy to Russia are growing in the considered years. In 2016, investments from Russia to Italy amounted to \$2400 million, which is bigger than in 2015 (\$2295 million), and in 2014 (\$2056 million)¹³⁶. There is also seen the increase of investments showing the development and broadening of cooperation in this field.

Among the most investment-attractive Russian sectors for Italian entrepreneurs could be referred energy, petrochemical, construction, automotive and electrical appliances production, and cooperation in the high-tech sphere.

At the St. Petersburg Economic Forum in June of 2016, Russia and Italy signed contracts amounting to €1 billion 300 million, which was found after the talks between Vladimir Putin and Matteo Renzi¹³⁷.

A large-scale activity in Italy in the sphere of investments is carried out by the «Renova» group, the Russian private business group consisting of managing companies, direct and portfolio investment funds, which owns and manages assets in the metallurgical, mining, chemical, construction, transport, energy, telecommunication, high-tech engineering, housing, medicine and financial sectors. The Russian company «VimpelCom» owns one of the largest mobile operators in Italy, «Wind», and the group «ICT» owns the operator of wireless Internet access «Aria». In Russia, Italian investors are actively working, namely: «Maire Tecnimot» (chemical industry), «Danieli» and «Marchegaglia» (metallurgy), «Marazzi» (building ceramics), «Cremonini» (meat processing industry), «Ferrero» (confectionery), «Indesit» (electrical domestic appliances)¹³⁸.

In Russia there is The Foreign Investment Advisory Council, a permanent body under the Government of the Russian Federation, which includes the largest foreign investors operating in Russia. It was established in

¹³⁴ Main results of the investment cooperation of the Russian Federation with Italy. / Ministry of Economic Development of the Russian Federation. [Electronic source] URL: http://www.ved.gov.ru/exportcountries/it/it_ru_relations/it_rus_projects/ (date of access: 20.03.2017).

¹³⁵ The number of foreign investment in Russia rose to a five-year high. / RBC. 2016. [Electronic source] URL: http://www.rbc.ru/economics/16/06/2016/57625f2a9a7947d845c25a15 (date of access: 20.03.2017).

¹³⁶ Statistics of internal sector. / Central Bank of the Russian Federation. [Electronic source] URL: http://www.cbr.ru/statistics/?PrtId=svs (date of access: 20.03.2017).

¹³⁷ Investments came for a long time: Russia and Italy signed contracts for a billion and 300 million / VESTI.RU. 2016. [Electronic source] URL: http://www.vesti.ru/doc.html?id=2766315 (date of access: 20.03.2017).

¹³⁸ Main results of the investment cooperation of the Russian Federation with Italy. / Ministry of Economic Development of the Russian Federation. [Electronic source] URL: http://www.ved.gov.ru/exportcountries/it/it_ru_relations/it_rus_projects/ (date of access: 20.03.2017).

1994. The Foreign Investment Advisory Council includes the Italian companies ENI, Enel, Leonardo-Finmeccanica, and UniCreditBank.

The next substantial subject is the organization of the economy with the institution of industrial districts or so-called clusters. It should be noted that the industrial districts have reached a high level of development in Italy, which is a result of the specificity of the Italian industry, which is based on small and medium-sized enterprises.

At the end of the XIX century, Alfred Marshall in the study of the urban agglomerations in the UK justified the relationship between the productivity of firms and their territorial concentration. He drew attention to the fact that congestions of small businesses can develop nearly as effectively as large ones, because they are united by a single specialization of production¹³⁹.

Josef Schumpeter, an Austrian and American economist of the XX century, in his work «The Theory of Economic Development», written in 1911, expounded his thoughts on economic issues, including innovations. In his work the author discusses the production and the emergence of new combinations. New combinations can arise under certain conditions: when a new good is made or a new quality of good is created; when a new method of production is introduced; when a new sales market is mastered; when a new source of raw materials is obtained; when reorganization is carried out, for example, the monopoly position is ensured 140. Josef Schumpeter also noted an important role of credit and entrepreneurial abilities in the production. According to the economist, the entrepreneur is the driving force of the economic development, and the entrepreneurship after his work began to be considered as the fourth factor of production. The entrepreneur usually encounters in the course of his activity with the counteraction of the external environment. To overcome this resistance, the entrepreneur applies innovations. One of the ideas of the J. Schumpeter's work is that it is the innovative process that determines the degree of progress of the economic system.

American economist Michael Porter, relying on the agglomeration approach of A. Marshall and the innovative approach of J. Schumpeter, created the theory of the competitiveness and clusters. In his book «On Competition», written in 1998, M. Porter defines clusters as geographically focused groups of companies that are interrelated, specialized suppliers, service providers, firms in related fields, and organizations related to their activities in certain areas, competing, but at the same time leading joint work. Clusters, according to M. Porter, are a feature of any national economy, especially of the most developed ones. In addition, the author notes that the cluster can be located territorially in the city, state (region), country or even in several neighboring countries. The importance of clusters, according to M. Porter, grows with the complication of competition, implying a tendency to increase the number of clusters as the economy develops. The economist also notes the important role of the interpersonal interactions in clusters, informal mechanisms and norms of culture. M. Porter regards the cluster as an association of industrial branches, which are linked vertically (production stages) and horizontally (production chain). In addition, the author believes that the cluster has more advantages for

¹³⁹ Dmitrieva O. A. Clusters – one of the ways of development of small business. // Economic Journal. – 2012. – № 27. – P. 1.

¹⁴⁰ Schumpeter J. A. The theory of economic development. M.: Progress, 1982. – P. 159.

innovation and productivity growth. Clusters are a combination of competition and cooperation. A cluster is a system of interrelated firms and institutions, which is generally larger than the simple sum of its parts¹⁴¹.

American scientist Michael Enright adheres to the concept of the regional cluster and, unlike Michael Porter, argues that the cluster could function on the regional scale, rather than at the national level. He also states that clusters in the contemporary world are quite common and widespread, leading to the rise of interest of experts and scientists to examine them¹⁴².

S. Fabiani, G. Pellegrini, E. Romagnano and L. F. Signorini pointed out that firms operating in cluster in Italy have tendency to be more effective in such organization than similar firms acting outside of the cluster ¹⁴³.

To the peculiarities of the Italian industrial districts the Italian economist G. Becattini referred: the socio-economic identity of the business, involving multiple horizontal links between the firms specializing in a certain stage of production and subordinated to a larger producer of end products, which has the access to the foreign market; the formation of the industrial districts only in those industries that are traditional for Italy, where production is more efficient in the network of small and medium-sized enterprises, rather than in large firms¹⁴⁴.

Industrial districts could be defined as association of small and medium-sized enterprises operating within a certain territory, which, while preserving their independence, combine their resources to carry out all their activities of interest, which they are unable to perform on their own, including market research, technological developments, individual production stages, access to the world market. In addition, industrial districts are the optimal channel for interaction of small and medium-sized businesses with state structures, in particular, on tax administration and state support of national commodity producers.

Clusters perform several functions, including increasing the country's exports, attracting foreign investment, providing jobs, and fulfilling tax liabilities.

The peculiarity of clusters is that initially small enterprises lack the technical and financial skills to carry out complex actions to attract foreign investments. Therefore, they prefer to cooperate with other enterprises, with which they are connected and represent a complex network of relations.

Clusters of small enterprises, besides Italy, are common in a large number of countries around the world. For example, in countries such as Germany, the United States of America, Japan, India, Indonesia, Malaysia, Mexico, Nicaragua, Honduras, Jamaica, Bolivia, Madagascar, Morocco¹⁴⁵.

Since 1993, UNIDO, with the assistance of the Private Sector Development Branch, has developed a set of recommendations to help governments and the private sector interact in the development and implementation of programs for the development of clusters and small business networks. UNIDO (United Nations Industrial

¹⁴¹ Porter M. E. On competition. M.: Publishing house «Vil'yams», 2005. – Pp. 256-338.

¹⁴² Enright, M. J. Regional clusters: what we know and what we should know. / Innovation clusters and interregional competition. Berlin: Springer, 2003. – Pp. 99.

 $^{^{143}}$ Fabiani S., Pellegrini G., Romagnano E., Signorini L.F. Efficiency and localisation: the case of Italian districts. / Contributions to economics. Physica, Heidelberg, 2000. - P. 46.

 $^{^{144}}$ Becattini G. From the industrial sector to the industrial district. A brief critical reconstruction. / Complexity and Industrial Clusters. Contributions to Economics. Physica-Verlag, 2002. - P.~85.

¹⁴⁵ Voskerichyan R. O., Solov'eva Yu. V. Industrial districts as an instrument of industrial policy. // Innovative economics. Peoples' Friendship University of Russia. − 2016. − № 4. − Pp. 1-5.

Development Organization) has an objective to force the development of businesses and facilitate the decline of poverty by promoting links between small firms, their bigger partners and support institutions¹⁴⁶.

Many researchers see the only way to preserve small firms in the context of the globalization and increasing international competition in the organization of clusters¹⁴⁷. Otherwise, it will be difficult for small businesses to endure the competition and to enter the international market.

Italy, despite the lack of resources and raw materials, remained among the most industrialized countries in the world. And this is a result of the operation of the industrial districts 148.

In Italy, there are approximately 200 such industrial districts, which employ more than 2 million people. The largest number of industrial districts is located in the Lombardy region, accounting for 21 % of the total amount. Industrial districts seem to show higher economic indicators than industrial zones that are not included in these associations. For example, 42 % of companies in the industrial districts are exporters (compared to 32 % of exports in zones outside the industrial districts)¹⁴⁹.

Production in industrial districts of Italy is very diverse. Most of the enterprises operate in the textile and clothing production, the production of household goods (furniture and other building materials), leather and footwear, food, rubber and plastic products, jewelry and metallurgy. In addition, 43,3 % of Italian exports is produced in these industrial districts. As for the government authorities, the promotion of the industrial districts coincided with the course for the internationalization of the Italian economy. To this end, all public services related to this work including the representative offices of the Institute of Foreign Trade, the National Tourism Board, contributed to the development of industrial districts. Since they get the support and assistance of the authorities on the direction towards the new markets.

The Ministry of Productive Activity of Italy, as a form of support, since 2002 has begun to establish new Italian industrial districts in countries that appear in the strategies for the internationalization of Italian enterprises. This implies Russia, Romania, Croatia, Morocco and Tunisia¹⁵⁰.

In 2002, at a meeting in Moscow and Sochi between the Russian President Vladimir Putin and the Italian Prime Minister Silvio Berlusconi, a plan was outlined for future bilateral initiatives of Italy and Russia in the matter of industrial districts. The first concrete result was the establishment in October of 2002 of a Russian-Italian working group on the industrial districts and small and medium-sized businesses within the framework of the intergovernmental Russian-Italian Council on Economic, Industrial, Monetary and Financial Cooperation, whose main task is to foster the development of the industrial districts in Russia according to the Italian model. In 2003, a memorandum was signed in order to create the industrial districts in Russia, taking into account the

¹⁴⁶ What we do. Supporting small and medium industry clusters. / UNIDO. [Electronic source] URL: http://www.unido.org/clusters.html (date of access: 20.03.2017).

¹⁴⁷ Voskerichyan R. O., Solov'eva Yu. V. Industrial districts as an instrument of industrial policy. // Innovative economics. Peoples' Friendship University of Russia. -2016. - № 4. - P. 5.

¹⁴⁸ At the crossroads of the Mediterranean: «Italian boot» facing the challenges of the XXI century / Edited by T. V. Zonova. – Russian Academy of Sciences. Institute of Europe. – M.: Publishing house «Ves' Mir». – 2011. – P. 354.

¹⁴⁹ Shebalin D., Shebalina E. Industrial districts as a source of Italian wealth – possible scenario for the Russian economy? // World and national economy. MGIMO. – 2016. – № 3. – P. 2.

¹⁵⁰ Voskerichyan R. O., Solov'eva Yu. V. Industrial districts as an instrument of industrial policy. // Innovative economics. Peoples' Friendship University of Russia. − 2016. − № 4. − Pp. 1-5.

experience of Italy. The idea was to help Russia to accelerate the process of its industrialization through the creation of an economic environment like the Western one, with the participation of the Italian enterprises¹⁵¹. In 2005, the Federal Law № 116-FZ on special economic zones in the Russian Federation was adopted. In it, a special economic zone is defined as a part of the territory of the Russian Federation, on which a special regime for carrying out business activities operates. It is noted that the industrial-productive special economic zones are created on the sections of the territory, which are no more than 20 square kilometers, and also that the special economic zone can not be located on the territories of several municipalities and should not include completely the territory of an administrative and territorial unit¹⁵².

The Government of the Russian Federation has established special economic zones of several types: four territories of the technical-innovative type (St. Petersburg, Dubna, Zelenograd, and Tomsk), two of the industrial type (Lipetsk and Yelabuga), seven of the tourist-recreational type (Krasnodar and Stavropol Territory, Irkutsk, The Republic of Buryatia, the Altai Territory, and the Kaliningrad Region) and three of the port type (Ulyanovsk, Krasnoyarsk, Sovetskaya Gavan'). The total number of residents is accounted to 223, 25 of them have foreign capital attracted from 18 different countries with the creation of 8000 new jobs¹⁵³. The meaning of the special economic zone is also that it presupposes preferential economic regimes. Although, there are some visible advantages of the establishing of the special economic zones, such as attracting foreign capital, forcing of the export, the appearance of new jobs, there are also some drawbacks. These include the customs regime, which aims to promote the export of goods outside the Russian Federation, and not to provide them with the domestic market; the contradiction between the interests of a foreign investor and the Russian legislation, since the first is interested in the selling its goods in the Russian market, and the second has the target to develop innovations and to introduce new technologies; the corruption, which inhibits the demonstration of positive effects from the creation of the special economic zones.

The XX meeting of the Russian-Italian working group on industrial districts and small and medium-sized businesses was held in 2012 in Ufa in the Republic of Bashkortostan. About 100 Italian businessmen participated in the meeting. Italy and Bashkortostan already have mutually complementary directions. Bashkortostan produces raw materials, Italy processes them. 90 % of what is imported today in Italy from Bashkortostan are the energy resources. 80 % of the Italian exports to Bashkortostan compose equipment for petrochemical production and other industries¹⁵⁴.

According to the Accounts Chamber of the Russian Federation, special economic zones have not become an effective tool of the economy. This opinion is supported by the fact that there are not enough jobs, the tax return of them is low, and the costs for managing the zones are increasing. Only the activities of four special

¹⁵¹ At the crossroads of the Mediterranean: «Italian boot» facing the challenges of the XXI century / Edited by T. V. Zonova. – Russian Academy of Sciences. Institute of Europe. – M.: Publishing house «Ves' Mir». – 2011. – Pp. 359-360.

¹⁵² Federal Law «On Special Economic Zones in the Russian Federation» from 22.07.2005 № 116-FZ. / Rossiiskaya Gazeta. № 3831. 2005.

¹⁵³ At the crossroads of the Mediterranean: «Italian boot» facing the challenges of the XXI century / Edited by T. V. Zonova. – Russian Academy of Sciences. Institute of Europe. – M.: Publishing house «Ves' Mir». – 2011. – P. 369.

¹⁵⁴ Dmitrieva O. A. Clusters – one of the ways of development of small business. // Economic Journal. – 2012. – № 27. – Pp. 5-6.

economic zones are recognized as effective: in Tatarstan («Alabuga»), in the Lipetsk region, in the Samara region, and in St. Petersburg. The volume of investments made by residents in these zones basically exceeded the amount of the invested funds of the federal budget. Special economic zones have both positive results and negative ones. According to the Ministry of Economic Development of the Russian Federation, negative moments are taken into account and 10 zones were closed. Among the positive sides, the special economic zones already have more than 550 residents, including 92 companies with foreign capital from 29 countries, including the USA, Japan, China, Germany, France, Switzerland and Italy. Through the introduction of special economic zones was practiced the support and increase of investments from foreign countries to Russia. The total volume of declared investments is 679,9 billion of rubles, of which 194,7 billion of rubles are the declared investments of foreigners. In addition, out of 127 billion of rubles, invested by the federal funds, the zones returned about 52 billion of rubles in the form of taxes and customs deductions ¹⁵⁵.

The activities towards the development of the special economic zones in Russia are being conducted with the participation of the Italian side. Accordingly, on the new space of the Lipetsk special economic zone next to Yelets at once three Italian companies plan to build their enterprises. They intend to invest about €40 million in this formation. The first foreign residents of the zone will be the companies Group alla and Immergas. These companies are associated with the production of the equipment for housing and communal services. The third resident is expected to be the entrepreneurs from Italy, who work in the field of the agro-industry. Thus, it could be noted, that the development of the free economic zones undergo in Russia with the initial participation and suggestion of Italy and the continuing involvement of it in the processes in this direction and area of activity¹⁵⁶.

Between Russia and Italy the extensive interaction and cooperation are carried out in the energy sector. Since the 1950s, Italy started importing oil from the Soviet Union. Italy can provide itself with the energy resources only by 15 %. Consequently, the country aims to purchase energy resources abroad. In 2006, an agreement was concluded between Gazprom and ENI, calculated up to 2035, which demonstrates the importance of this document. Moreover, as a result of the agreement between the Russian company Lukoil and the Italian company ERG, a joint venture was established to manage the ISAB refinery complex in Sicily. The complex processes 16 million tons of raw materials per year¹⁵⁷. In 2008, Lukoil received a 49 % stake, and in 2013 became the owner of the entire enterprise¹⁵⁸.

Russia is the main supplier of energy to Italy: it provides 20 % of oil imports and 47 % of gas imports. Italian companies of the energy sector, such us ENI, ENEL, Saipem, and Ansaldo Energia have a deeply rooted presence in the Russian market¹⁵⁹.

¹⁵⁵ Zones of special costs. / Gazeta.ru. 2017. [Electronic source] URL: https://www.gazeta.ru/business/2017/04/10/10619267.shtml (date of access: 25.03.2017).

¹⁵⁶ Italian investors enter the SEZ «Lipetsk». / Izvestia. 2017. [Electronic source] URL: http://izvestia.ru/news/656627 (date of access: 25.03.2017).

¹⁵⁷ Zonova T. V. History of foreign policy of Italy: textbook. – M.: Mezhdunarodnyue Otnosheniya, 2016. – Pp. 301, 318.

¹⁵⁸ History. / ISAB. [Electronic source] URL: http://www.isab.com/isab/?p=home&s=storia (date of access: 25.03.2017).

¹⁵⁹ Relations between Italy and Russia. / The Ministry of Foreign Affairs and International Cooperation. [Electronic source] URL: http://www.esteri.it/mae/it/politica_estera/aree_geografiche/europa/i_nuovi_rapporti.html (date of access: 25.03.2017).

At particular stages of the history the countries have seen each other as an ally and a reliable economic partner. The economic side of the relations is an important part of interaction between Russia and Italy. The scope of the economic cooperation is broad and includes various components, such as the operating of the institutions at the political level and those of non-governmental basis aiming at enhancing the economic links, bilateral trade, building of industrial facilities on the territory of the Russian Federation with the participation of the Italian companies, interaction in the financial sector, and investment activity. Furthermore, Russia adopted from Italy the experience of creating the industrial districts, known as special economic zones and is developing them with the help of the Italian side.

3.3. Relations between Russia and Italy in other spheres

Except for economic sphere, the interaction between Russia and Italy is exercised in many other fields.

The relations and cooperation between Russia and Italy are developing in the field of the aviation transport. In 2006, the Sukhoi Holding, the Russian manufacturer of aircrafts, and the Leonardo-Finmeccanica (formerly the Alenia Aeronautica), the Italian multinational company specialized in aerospace, defense and security, signed an agreement on the cooperation in the creation of the Russian regional aircraft «Sukhoi Superjet 100». They established «Superjet International» in order to sell «Sukhoi Superjet 100». In 2011, the first commercial «Superjet-100» was put into operation. The portfolio of orders is considered to be more than 170 airliners, 66 aircrafts are already in operation.

In 2012, the Helicopters of Russia (part of the Rostec, the Russian state company) and the Agusta Westland (manufacturer of helicopters owned by the Leonardo-Finmeccanica) created the «HeliVert» and established the production of the twin-engine multipurpose helicopter AW139. In 2015, the Rosneft, the Leonardo-Finmeccanica, and the Helicopters of Russia signed an agreement on the reorganization of the HeliVert with the Agusta Westland received 40 % in the joint venture, the Russian Helicopters -30 %, and the Rosneft -30 %.

In addition, there is cooperation between two countries in the sphere of the railway transport. In 2007, the Russian Railways, the Leonardo-Finmeccanica and the Trenitalia signed an agreement on cooperation in the field of security and traffic management on the railways and on the creation of the railway infrastructures¹⁶⁰.

Russia and Italy actively cooperate in the military-political and military-technical fields. The basis in this area is founded in the Declaration on cooperation in the field of the military industry conversion of 1991 and in the intergovernmental agreement on cooperation in military-technical issues and in the defense industry of 1996. In 2004 and 2008, joint exercises of the Russian and Italian naval forces took place in the Mediterranean Sea.

During the Russian-Italian summit in 2007, an agreement was signed in Bari on the mutual protection of the intellectual property in the sphere of the bilateral military-technical cooperation, which entered into force in

¹⁶⁰ The Russian-Italian economic relations. Dossier. / TASS. 2016. [Electronic source] URL: http://tass.ru/info/1808234 (date of access: 25.03.2017).

2009. The meetings of the joint Commission on military-technical cooperation, established in accordance with the bilateral agreement on military-technical cooperation of 1996, were held, contributing to the development of the relations in the military-technical sphere between Russia and Italy¹⁶¹.

In 2015, at the defense industry exhibition in Abu Dhabi, the Russian Minister of industry and trade Denis Valentinovich Manturov conducted negotiations with the defense Minister of the Italian Republic Roberta Pinotti, on which was stated that the parties are interested in the consolidation of cooperation in the military-technical sphere with each other¹⁶².

Between Russia and Italy there is also the interaction in the space sphere. In 2000, the Agreement on cooperation in the exploration and use of outer space for peaceful purposes was signed, which entered into force in 2004. In 2005, the Italian cosmonaut R. Vittori made a space flight to the ISS on the Russian transport ship «Soyuz». In addition, the Italian astronauts P. Neapoli and L. Parmitano worked in the ISS-26/27 expedition in 2010-2011 and in ISS-36/37 expedition in 2013¹⁶³.

In the political sphere, strong ties have been established over the long years of the bilateral relations. Partnership between countries can be called strategic and privileged¹⁶⁴. Political relations are characterized by understanding and trust. Sergei Viktorovich Lavrov, the Russian Foreign Minister, in 2015 in an interview for the Italian media noted that Russia with all representatives of the governments of Italy over the past 15 years have established very trusting relations, regardless of the political affiliation of each of the winning parties¹⁶⁵. Even with the emergence of the Ukrainian crisis, the introduction of the sanctions and counter-sanctions, the countries maintain contacts at the highest level. This cooperation could be seen from the diplomatic cooperations and meteengs of all main significant representatives of Italy in the sphere of foreign policy with the representatives of Russia.

In March of 2015, there was a visit of the former Italian Prime Minister Matteo Renzi to Moscow, which indicates the significance that the present Italian governments attach to relations with Russia. It represented the first official visit by a European leader to Russia since the start of the Ukraine crisis. In this context, Renzi's visit suggests that European leaders are taking steps to break Russia's isolation from the West. The Renzi's cabinet admitted that Russia remains a «strategic partner»¹⁶⁶. After Renzi's visit to Moscow in 2015, he and other Italian politicians visited Russia, while the Russian politicians visited Italy. At the meetings at the political

¹⁶¹ History of the Russian-Italian diplomatic relations. / Consulate-general of Russia in Milan. [Electronic source] URL: http://www.rumilan.com/article.sdf/ru/servis/2635 (date of access: 25.03.2017).

¹⁶² Italy and Russia discussed cooperation in the military-technical sphere. / RBC. 2015. [Electronic source] URL: http://www.rbc.ru/rbcfreenews/54e97df69a7947095dfddebc (date of access: 25.03.2017).

¹⁶³ The Russian-Italian relations. / Ministry of Foreign Affairs of the Russian Federation. [Electronic source] URL: http://www.mid.ru/ru/maps/it/?currentpage=main-country (date of access: 25.03.2017).

¹⁶⁴ Zonova T. V. Italy – Russia: less personalisms more pragmatism / Institute for International Political Studies. The Italian Elections World Views 21 February, 2013. [Electronic source] URL: http://www.ispionline.it/it/pubblicazione/italia-russia-meno-personalismi-piu-pragmatismo (date of access; 25.03.2017).

¹⁶⁵ Foreign Minister Sergey Lavrov's Interview with Italian media, Moscow, December 9, 2015. / The Ministry of Foreign Affairs of the Russian Federation. [Electronic source] URL: <a href="http://www.mid.ru/foreign_policy/news/-asset_publisher/cKNonkJE02Bw/content/id/1968020?p_p_id=101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNonkJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTANCE_CKNONKJE02Bw&_101_INSTA

¹⁶⁶ Why Italy is looking to break Russia's isolation from the West. / Russia Direct. 2016. [Electronic source] URL: http://www.russia-direct.org/analysis/why-italy-looking-break-russia's-isolation-west (date of access: 20.02.2017).

level, bilateral relations and prospects for their development were discussed. It is worth mentioning the visit of Vladimir Putin to Italy in 2015, when he visited the «EXPO» exhibition in Milan, and also went to Rome. In Italy the Russian President discussed the most important issues of cooperation between Russia and Italy with Matteo Renzi, Sergio Mattarella. He also had a meeting with Pope Francis. The Russian President Vladimir Putin and the Italian Prime Minister Matteo Renzi during the negotiations agreed to expand cooperation in the areas, where it is technologically possible ¹⁶⁷.

In 2016, Matteo Renzi visited the St. Petersburg International Economic Forum and was the only leader of the EU member country there. In his speech, the Italian politician said that there are problems between Russia and the European Union, but, nevertheless, there are new challenges and global problems, and in this connection it is necessary to solve this problem and look together into the future and what unites two parties. Matteo Renzi noted that if there is a desire to finally overcome the sanctions phase, as he is willing, it is necessary to implement fully the Minsk agreements and make Russia the main actor, because it is impossible to fight extremism in the world without Russia. He added that Italy is trying to establish its presence in the markets of Russia, and also that Italy is holding onto the «Made in Italy» brand, but he finds agreeable the idea of «Made with Italy», including activity in the agricultural sphere, in the spheres of technology and innovation. Matteo Renzi also touched on the topic of the European Union, its expediency and strength, which is relevant in connection with the situation with the UK, which at that time was thinking about withdrawing from the European Union. According to M. Renzi, the current Europe, which is based on a tough economic policy no longer works. Europe should focus on human capital, values, technological innovation, and it is the only possible option for Europe, otherwise the European project will end¹⁶⁸. At the St. Petersburg International Economic Forum, Renzi met with Putin, they held bilateral talks. At the plenary meeting, the views of Putin and Renzi did not coincide on the issue of the emergence of sanctions against Russia. Putin expressed the opinion that the elections in the United States are not completely democratic, since the president is not chosen directly. but by the electors, and made it clear that it is the USA, in his opinion, who is behind the decision to introduce anti-Russian sanctions, which affected not the Americans, but the Europeans.

Renzi responded and said that he disagrees with the Putin's words. He defended the American elections, calling the U.S. «a great democracy». Speaking about the nature of the sanctions, he noted that the European countries themselves, without external pressure, decided to impose sanctions after the events in the Crimea and the Donbass, therefore, the key to their abolition is precisely in the resolving of the Ukrainian conflict, and the implementation of the Minsk agreements.

¹⁶⁷ Peskov: Russia and Italy spoke for expanding the cooperation. / RIA.RU. 2015. [Electronic source] URL: https://ria.ru/world/20150610/1069343963.html (date of access: 20.02.2017).

¹⁶⁸ Premier is speaking. / Lenta.ru. 2016. [Electronic source] URL: https://lenta.ru/articles/2016/06/17/renzi speaks/ (date of access: 15.04.2017).

Putin admitted that a real discussion had taken place, but in the key issues in the positions of Russia and Italy there are more in common than contradictions, what proves the long-lasting and fruitful character of the relations between Russia and Italy¹⁶⁹.

Between two countries the mechanisms of the Large Russian-Italian Interparliamentary Commission and the meetings of the foreign and defense ministers in the «two plus two» format were introduced. Since 2000, the Large Russian-Italian Interparliamentary Commission has held thirteen meetings, last of which was in 2012. Since 2010, there have been three Russian-Italian meetings of the foreign and defense ministers in the «two plus two» format (in 2010, 2011, and 2013). However, due to the strained relations between Russia and the European Union on the situation in Ukraine, the interaction within the framework of these mechanisms was suspended and the meetings were not held for several years, although before that, representatives of the two countries had negotiations at such meetings almost every year. Undoubtedly, this indicates the suspension of an active political dialogue with the participation of various representatives of the countries. Nevertheless, there are summit meetings between the heads of state, foreign ministers and other politicians. It should be noted that in November 2016, after a four-year pause, a plenary meeting of the Russian-Italian Council on Economic, Industrial, Monetary and Financial Cooperation was held. The ministers of foreign affairs of the two countries are actively consulting on a wide range of bilateral and international issues. In July 2014, the Foreign Minister of Italy, at that time Federica Mogherini, made a working visit to Moscow, during which she met the President of the Russian Federation, Vladimir Putin, held talks with Sergey Lavrov and a conversation with the Deputy Prime Minister of the Russian Federation, Arkadii Dvorkovich, as the co-chairmen of the Russian-Italian Council on Economic, Industrial, Monetary and Financial Cooperation. In October 2014, Paolo Gentiloni became the Minister of Foreign Affairs of Italy. In November 2014, Federica Mogherini became the High Representative of the European Union for Foreign Affairs and Security Policy. In December 2014, at the OSCE Ministerial Council in Basel, Sergey Lavrov met with the Minister of Foreign Affairs and International Cooperation of Italy, Paolo Gentiloni¹⁷⁰.

Paolo Gentiloni stated that Italy does not support the idea of the automatic prolongation of the sanctions against Russia, as it prevents the further regulation of the situation. Subsequently, Paolo Gentiloni repeatedly referred to the idea of returning to a dialogue with Russia, given her readiness to comply with the Minsk agreements and noted that in any case Russia remains the most important strategic actor in European and world politics¹⁷¹.

It is also worth noting that in 2016, the EU foreign ministers at the planned meeting of the EU Council approved five principles for the development of the further relations with Russia, which, according to Federica

¹⁶⁹ Renzi argued with Putin about the nature of sanctions. / RBC. 2016. [Electronic source] URL: http://www.rbc.ru/politics/17/06/2016/57641d8a9a7947836f39d3a5 (date of access: 15.04.2017).

¹⁷⁰ The Russian-Italian relations. / Ministry of Foreign Affairs of the Russian Federation. [Electronic source] URL: http://www.mid.ru/ru/maps/it/?currentpage=main-country (date of access: 15.04.2017).

¹⁷¹ Zonova T. V. Italy: new President, Prime Minister's reforms, relations with Russia. / Results of the year. Portal of MGIMO. 2015. [Electronic source] URL: http://mgimo.ru/about/news/experts/italiya-novyy-prezident-reformy/ (date of access: 15.04.2017).

Mogherini, all of the 28 member countries unanimously adopted. The first of the adopted principles is the full implementation of the Minsk Agreements as a key moment in relations. Mogherini explained that without this, the qualitative development of relations is impossible. The second principle is the strengthening of relations with the European Eastern partners and other neighbors. Here they mean the Eastern Partnership program. The third principle is to ensure the stability of the EU, in particular, in the field of the energy security. The fourth principle is the development of the cooperation with the Russian Federation on the specific vectors of the international agenda, which are of particular interest to the European Union. This includes the issues of Iran, Syria, the Middle East, as well as migration, the fight against terrorism, climate change and others, which are in the interests of the EU. Finally, the fifth principle is the support for the civil society of the Russian Federation and the links between people in Russia and the EU. Federica Mogherini particularly stressed that the ministers had set themselves the task of considering relations with the Russian Federation outside the context of the policy of sanctions ¹⁷².

Thus, the principles approved by the EU foreign ministers represent a clear pragmatic position of the European Union, based only on its own interests. There is no intention to resume the former cooperation with Russia and restore the confidence.

In December 2016, Angelino Alfano became the Minister of Foreign Affairs of Italy and Paolo Gentiloni became the Prime Minister of Italy. In March 2017, the Italian Foreign Minister Angelino Alfano held talks with the Russian Foreign Minister Sergei Lavrov. Angelino Alfano states that despite all the difficulties associated with the situation in Ukraine, Italy believes in a dialogue with Russia and recognizes that without Russia's involvement it is impossible to solve any international crisis and respond to modern global challenges. He noted that the sanctions and the possibility of withdrawing them are directly related to the full implementation of the Minsk agreements¹⁷³. Lavrov, in turn, noted that Russia appreciates the relations with Italy, and that pragmatism is the foundation of the relations between the two countries¹⁷⁴.

The Italian Ambassador to Russia Cesare Maria Ragaglini noted that it is necessary to restore relations between Russia and the EU¹⁷⁵. He also stated that the Italian side has always considered Russia to be an important political partner for solving all actual international problems and has always believed that the most important factor is the maintaining a dialogue with Russia, despite the problems with the situation in Ukraine and the Ukrainian crisis¹⁷⁶.

The Russian Ambassador to Italy Sergei Sergeevich Razov noted that as a member of the European Union and NATO, Italy pursues a collectively worked position towards Russia, including the sanctions regime,

¹⁷² The EU adopted five principles for building relations with Russia. / TASS. 2016. [Electronic source] URL: http://tass.ru/mezhdunarodnaya-panorama/2738040 (date of access: 15.04.2017).

¹⁷³ Angelino Alfano: We firmly believe in a dialogue with Russia. / TASS. 2017. [Electronic source] URL: http://tass.ru/opinions/interviews/4127509 (date of access: 15.04.2017).

¹⁷⁴ Lavrov: pragmatism moves Russian-Italian relations. / RG.RU. 2017. [Electronic source] URL: https://rg.ru/2017/02/17/lavrov-pragmatizm-dvigaet-rossijsko-italianskie-otnosheniia.html (date of access: 15.04.2017).

¹⁷⁵ The aim – restore relations of the EU with Russia. / Gazeta.ru. 2014. [Electronic source] URL: https://www.gazeta.ru/politics/2014/07/01 a 6093753.shtml (date of access: 15.04.2017).

¹⁷⁶ Ambassador of Italy to the Russian Federation: we continue to believe in the Russian market. / Ria.ru. 2016. [Electronic source] URL: https://ria.ru/interview/20160217/1375967270.html (date of access: 15.04.2017).

however, unlike some other members of these organizations, the Italian leadership has always supported the maintaining a dialogue with Russia, the resolving of the Ukrainian problem exclusively through diplomatic means. In addition, Razov stated that the political dialogue between the two countries is continuing, and on both sides there is the understanding of importance of maintaining the positive potential, partnership and mutually beneficial cooperation¹⁷⁷.

In April 2017, the President of the Italian Republic Sergio Mattarella visited Russia and met with President of the Russian Federation Vladimir Putin, Prime Minister Dmitry Medvedev, Patriarch Kirill. Sergio Mattarella said that Russia is a strategic partner of Italy, and between Russia and Italy there are solid friendly relations that persist even in the context of tensions and it is necessary to resolve these tensions. Vladimir Putin noted that Italy is a reliable partner of Russia, there is a desire to leave behind difficulties and misunderstandings and return to cooperation in the usual way. Thus, in the economic field, the volume of trade between countries decreased by 2,5 %. Nevertheless, according to Vladimir Putin, now there is a difficult period in the relationship, but Matterella's visit gives hope that the situation will improve¹⁷⁸. During the visit of the Italian president to Russia, both sides emphasized the strategic nature of the interaction between the countries and noted the proximity of positions on a number of key issues of world politics, including the recognition of the decisive role of the UN in solving the Syrian crisis, the need to identify and punish those who used the chemical weapons prohibited by the convention, the aspiration to continue the Geneva talks, the necessity to refrain from military intervention in the Libyan crisis and compliance with the UN resolutions on the Middle East¹⁷⁹.

Italy, in addition, contributes to the establishment of the strategic relations between Russia and NATO¹⁸⁰. It was Italy that tried to improve relations between NATO and Russia on the initiative of the Italian Prime Minister Silvio Berlusconi. In 2002, at the meeting in Italy the creation of the Russia-NATO Council was realized¹⁸¹.

What is more, the Italian side constantly confirmed its readiness to support the development of the partnership relations between the Russian Federation and the European Union¹⁸².

The important area of the interaction between Russia and Italy is the antiterrorist activity.

In 2001, emphasizing their commitment to fight terrorism, drug trafficking and illegal arms trade, Russia and Italy adopted a joint Russian-Italian statement on cooperation in countering the financing of international terrorism¹⁸³.

¹⁷⁷ Interview of the Russian Ambassador to Italy S. S. Razov to «Rossiyskaya Gazeta», February 17, 2015. [Electronic source] URL: http://www.mid.ru/ru/maps/it/-/asset_publisher/y8qQ47DsHQYD/content/id/959082 (date of access: 15.04.2017).

¹⁷⁸ Mattarella in Moscow: solid friendship, overcome difficulty. Putin: Italy is reliable partner. / Rai News. 2017. [Electronic source] URL: http://www.rainews.it/dl/rainews/articoli/mattarella-russia-amicizia-solida-superare-difficolta-a5760875-629f-44fe-b1c3-56c82b84541b.html (date of access: 15.04.2017).

¹⁷⁹ Zonova T. V. Positive agenda of the Russian-Italian meeting. / Russian Foreign Affairs Council. 2017. [Electronic source] URL: http://old.russiancouncil.ru/inner/?id 4=8972#top-content (date of access: 15.04.2017).

¹⁸⁰ Zonova T. V. Italy – Russia: less personalisms more pragmatism / Institute for International Political Studies. The Italian Elections World Views 21 February, 2013. [Electronic source] URL: http://www.ispionline.it/it/pubblicazione/italia-russia-meno-personalismi-piu-pragmatismo (date of access; 15.04.2017).

¹⁸¹ Zonova T. V. Relations between the Russian Federation and Italy. / Challenges and Perspectives of Contemporary Russia. International Conference 9-10 November, 2012. – P. 64.

¹⁸² Zonova T. V. Russian-Italian relations: history and modernity. // Vestnik MGIMO. -2012. -№ 1. -P. 53.

Italy is intended to persuade Russia to contribute to the de-escalation of the conflict in Ukraine, and then it could influence the EU in lifting sanctions against Russia. This will positively affect the export of Italian agricultural products, which affected Russian counter-forces. Italy also aims to ensure that Russia played a role in stabilizing the situation in the former Italian colony, Libya. The situation in this country after the fall of the regime of Muammar Gaddafi and as a result of the unfinished military crisis damages the supply of oil and gas to Italy, and also creates problems for the Italian company ENI, which has major projects in Libya. Rome is interested in a permanent ceasefire in Libya and the establishment there of a government of the national unity. Italy supports the United Nations' activity in negotiations with forces inside Libya, but it does not make any significant progress. In this regard, Italy expects the diplomatic support from Russia in the negotiation process. Not only in the energy resources in Libya Italy is interested, but also in the inflow of refugees to Italy, which is a problem for the country.

Russian Foreign Minister Sergei Lavrov said that Russia understands how important Libya's problem for Italy is because of the geographical proximity and the historical ties. He also mentioned the willingness of Russia to help to solve the Libyan problem. Lavrov noted that Italy, Russia, and Egypt are the members of the Vienna Group – the International Support Group of Syria. The Russian Foreign Minister stated that the problems of this region are closely intertwined, and without collective actions to suppress terrorist threats in all countries of the region it is difficult to be successful. The situation is complicated by the presence of ISIS in Syria and Iraq, the appearance of it in Libya, in Afghanistan, the possibility of emerging in Egypt. Nevertheless, according to S. Lavrov, in terms of mobilizing efforts to combat ISIS, the interaction between Russia, Italy, and Egypt will help to reduce the terrorist threat in Egypt¹⁸⁵.

Moreover, youth contacts are actively developing on the basis of the intergovernmental Agreement on Cooperation in Youth Affairs of 2001 and the two-year protocols on youth exchanges, developed in accordance with it. Since 2004, the general education schools in Russia and Italy provide weeks of culture and language of the two countries, as well as mutual trips of schoolchildren.

In addition to the traditional forms of cooperation between universities, in recent years the new perspectives have emerged. From 2009, the agreement between the State University of Economics in Moscow, the 2nd University of Naples and the Chamber of Commerce of the Province of Caserta is in force. One of the main purposes of this agreement is to unite the scientific potential of universities to address concrete business concerns. Moreover, the relations between the MGIMO and a number of the Italian universities, including the

¹⁸³ Zonova T. V. History of foreign policy of Italy: textbook. – M.: Mezhdunarodnyue Otnosheniya, 2016. – P. 314.

¹⁸⁴ Italian Prime Minister interrupted the international isolation of Vladimir Putin. / Vedomosti. 2015. [Electronic source] URL: http://www.vedomosti.ru/politics/articles/2015/03/05/italyanskii-premer-prerval-mezhdunarodnuyu-izolyatsiyu-vladimira-putina">http://www.vedomosti.ru/politics/articles/2015/03/05/italyanskii-premer-prerval-mezhdunarodnuyu-izolyatsiyu-vladimira-putina (date of access: 15.04.2017).

¹⁸⁵ Foreign Minister Sergey Lavrov's Interview with Italian Media, Moscow, December 9, 2015. / The Ministry of Foreign Affairs of the Russian Federation. [Electronic source] URL: <a href="http://www.mid.ru/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content/id/1968020?p_p_id=101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw_languageId=en_GB" (date of access: 15.04.2017).

Bocconi University of Milan and LUISS of Rome, Cesare Alfieri of Florence, the University of Bologna, the University of Messina, the University of Trieste and others are developing ¹⁸⁶.

An extensive program of activities to promote the Russian language in Italy and the Italian language in Russia is being implemented, including that in the context of the Agreement on the Study of the Russian Language in the Italian Republic and the Italian Language in the Russian Federation, signed in Rome in 2003 and entered into force in 2008.

In Rome the Institute of Russian Language and Culture operates, which was established in 1991. The Russian Center for Science and Culture under Rossotrudnichestvo, which was founded in 2011, also conducts its activity. Both organizations hold cultural events, contribute to the expansion of knowledge of Russian culture, provide an opportunity to study the Russian language.

In Moscow the Italian Institute of Culture functions, which was founded in 1986. Its aim is to promote the Italian language and culture in Russia by organizing cultural events for the spreading of ideas, art and science.

In 2009, the Russian-Italian intergovernmental agreement on mutual recognition of documents on education issued in the Russian Federation and the Italian Republic was signed ¹⁸⁷.

What is more, the Russian-Italian Civil Societies Forum-Dialogue is operating. It is a long-term project aimed at the further development of the relations between Russia and Italy, which was created on the initiative of Vladimir Putin and Silvio Berlusconi in 2004. Co-chairman of the Forum-Dialogue on the Russian side is the chairman of the Vnesheconombank V.A. Dmitriev, on the Italian side the co-chairman is the president of the group of companies «Todini Group» Luisa Todini.

The work of the Forum-Dialogue involves the organization of the bilateral meetings at least one time per year. At the meetings there is a discussion of one or several topics that can have a positive impact on the development of the bilateral cooperation. In addition, during the year, the thematic round tables, seminars, presentations, press conferences, concerts, exhibitions are held in different cities of two countries with the involvement of the working groups of the Forum.

The objectives of the Russian-Italian Civil Societies Forum-Dialogue are to strengthen the relations between Russia and Italy, to find and form promising areas of cooperation between the countries in various fields, to form an urgent agenda in the dialogue between Russia and Italy within the framework of the economy, culture and public organizations. For example, on 21st February of 2017, the first meeting of the working group of the representatives of the Russian Orthodox and Roman Catholic Churches of Russia and Italy was held in Moscow within the framework of the Russian-Italian Civil Societies Forum-Dialogue. The meeting was devoted

¹⁸⁶ Zonova T. V. Relations between the Russian Federation and Italy. / Challenges and Perspectives of Contemporary Russia. International Conference 9-10 November, 2012. – P. 67.

¹⁸⁷ History of the Russian-Italian diplomatic relations. / Consulate-general of Russia in Milan. [Electronic source] URL: http://www.rumilan.com/article.sdf/ru/servis/2635 (date of access: 15.04.2017).

to the theme «Spiritual and secular art as an instrument for strengthening harmony and mutual understanding among peoples» 188.

The important area of the bilateral relations is culture. Cultural ties between Russia and Italy are implemented on the basis of the intergovernmental Agreement on cooperation in the field of culture and education, which was signed in 1998, as well as according to the exchange programs that are coordinated within the framework of the Mixed Russian-Italian Commission for Cooperation in the field of culture and education and are recorded in the bilateral Protocols. In 2011, the Year of Russian Culture and the Russian Language in Italy and the Year of Italian Culture and the Italian Language in Russia were held¹⁸⁹.

The image of the Russians in Italy is also interesting issue for consideration. A positive image can contribute to the formation of warm relations between countries. An important role in this matter is played by the history of the two peoples, which is different, also because of the fact that the countries are located far away from each other, the climatic conditions are different.

The image of a Russian in Italy has for a long time been positive. In the relations with the Russian people, sympathy and a sense of similarity, even the likeness of a national character, predominated, including such similarities as kindness, tenderness, and openness. Along with the positive attitude towards Russia, the meager, one-sided and incomplete information in the press about this country still forms the detached or indifferent attitude of many Italians to the Russian reality, leading to a lack of the real interest in Russia. Sometimes there is an unwillingness to know anything, except for events in Italy and the EU. In the Italian media, especially in the information television programs, coverage of the Italian internal political problems is prevalent. In the foreign policy blocs the emphasis is put on the United States and the Middle East region. The image of Russia and the Russians in the Italian public opinion was largely determined and today is determined by the ignorance and misunderstanding of the situation in the country. In the mass consciousness, the old stereotypes still operate, and many Italians identify Russian and Soviet domestic and foreign policies. On ordinary consciousness in Italy the problem of human rights in Russia also negatively influences. Nevertheless, the relations between the two countries are mainly positive, and are developing in various spheres. The interest and sympathy of the Italians towards Russia and the Russians are based on the mutual relations that have developed at the early stages of history, on respect and love for Russian culture, and interest in the economic cooperation¹⁹⁰.

In order to find out how the representatives of the two countries perceive and assess the state of the Russian-Italian relations and the impact of sanctions on them was conducted a survey of 25 Russians and 25 Italians (Appendix N_2 1, Appendix N_2 2, Appendix N_2 3). In general, the Russians evaluate bilateral relations both in the contemporary situation and 10 years ago more positively than the Italians. 64 % of the Russians

¹⁸⁸ About forum. / The Russian-Italian Civil Societies Forum-Dialogue. [Electronic source] URL: http://www.russia-italia.ru/ru/about (date of access: 15.04.2017).

¹⁸⁹ History of the Russian-Italian diplomatic relations. / Consulate-general of Russia in Milan. [Electronic source] URL: http://www.rumilan.com/article.sdf/ru/servis/2635 (date of access: 15.04.2017).

¹⁹⁰ At the crossroads of the Mediterranean: «Italian boot» facing the challenges of the XXI century / Edited by T. V. Zonova. – Russian Academy of Sciences. Institute of Europe. – M.: Publishing house «Ves' Mir». – 2011. – Pp. 384-403.

consider the relationship to be good at the present situation, and only 48 % of the Italians agree with this statement, and 44 % call them satisfactory. 60 % of the polled Russians suggest that 10 years ago the relations were also good and 28 % – that they were excellent. 40 % of Italians believe that the relations 10 years ago were good, satisfactory (32 %), excellent (24 %). The majority of the respondents from Italy agreed that sanctions and counter-sanctions had a negative impact on the Russian-Italian relations (68 %). Nevertheless, the majority of the surveyed Russians claim that the policy of sanctions did not affect bilateral relations in any way (48 %). In addition, the majority of the representatives of the two countries suggest that the sanctions had a negative impact on the situation both in Russia and in the countries of the European Union.

The next important aspect of the interaction between Russia and Italy is the issue of the facilitating the visa regime. The Russian Foreign Minister Lavrov noted that the negotiations between Russia and the European Union on the transition to a visa-free regime were frozen on the initiative of the European Union long before the Ukrainian events. The reasons were mentioned in the media and they consisted in the fact that the so-called «anti-Russian minority» in the European Union stated that it is impossible to give Russia a visa-free regime before receiving of it by Ukraine, Georgia and Moldova. Lavrov also said that Russia is philosophical about this and appreciates Italy's desire for greater liberalization of the visa regimes. In the framework of Schengen, this can be achieved by reducing the processing time for issuing visas¹⁹¹.

The Italian Ambassador to Russia Cesare Maria Ragaglini in relation to the visa regime stated that it is necessary to gradually reduce the time of issuing visas, to simplify the ways of filling in the required documents. He noted that the simplification of the procedure promotes the growth of mutual trips between citizens of Russia and Italy¹⁹².

In 2015, Minister of Cultural Heritage, Cultural Activity and Tourism of Italy Dario Franceschini visited Russia, where he met with the Minister of Culture of Russia Vladimir Rostislavovich Medinskiy.

Tourist exchanges between countries are developing and are one of the spheres of interaction. In 2013-2014, the Year of Russian Tourism in Italy and the Year of Italian Tourism in Russia were held. In 2015, Minister of Culture of Russia V. R. Medinskiy and Minister of Cultural Heritage, Cultural Activity and Tourism of Italy D. Franceschini signed an interdepartmental declaration on cooperation in the field of tourism for the period of 2015-2017¹⁹³.

The Italian Ambassador to Russia Cesare Maria Ragaglini noted that in order to withstand the negative trends in tourism from Russia to Italy in connection with the sanctions and the weakening of the ruble, the

¹⁹¹ Foreign Minister Sergey Lavrov's Interview with Italian Media, Moscow, December 9, 2015. / The Ministry of Foreign Affairs of the Russian Federation. [Electronic source] URL: <a href="http://www.mid.ru/foreign_policy/news/-asset_publisher/cKNonkJE02Bw/content/id/1968020?p_p_id=101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw languageId=en_GB (date of access: 15.04.2017).

¹⁹² The aim – restore relations of the EU with Russia. / Gazeta.ru. 2014. [Electronic source] URL: https://www.gazeta.ru/politics/2014/07/01 a 6093753.shtml (date of access: 15.04.2017).

¹⁹³ The Russian-Italian relations. / Ministry of Foreign Affairs of the Russian Federation. [Electronic source] URL: http://www.mid.ru/ru/maps/it/?currentpage=main-country (date of access: 15.04.2017).

Italian Embassy in Russia launched the portal «Your Italy», the first Russian-language site about tourism in Italy. Its main target is to give the Russians information about Italy in all its diversity¹⁹⁴.

Relations between Russia and Italy can be called special, strategic and trusting, they have a long and rich history. Economic relations are a priority, they at some points in history contributed to the rapprochement of countries. Nevertheless, relations between countries are developing in various areas, such as financial, investment, aviation transport, railway transport, military-political and military-technical, space, political, antiterrorism, youth exchanges, cultural, visa facilitation, tourist. In connection with the current crisis in the relations between Russia and the EU, of which Italy is a member, some mechanisms of interaction at the political level were suspended, namely: the Large Russian-Italian Interparliamentary Commission and the meetings of the foreign and defense ministers in the «two plus two» format. However, in November 2016, after a four-year pause, a plenary meeting of the Russian-Italian Council on Economic, Industrial, Monetary and Financial Cooperation was held, what shows the ongoing dialogue between Russia and Italy despite sanctions and counter-sanctions.

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¹⁹⁴ Made with Italy. / RG.RU. 2016. [Electronic source] URL: https://rg.ru/2016/06/16/reg-szfo/posol-italii-v-rf-interes-k-rossijskomu-rynku-ne-oslabevaet.html (date of access: 15.04.2017).

4. Opinions and forecasts

4.1. The positions of main actors and experts

It is necessary to consider the opinions of political representatives of the main participants involved in sanction relations in connection with the events in Ukraine in 2014. These include the countries of the West (the EU, the USA, Canada, Australia, Switzerland, Japan and New Zealand), Russia, Ukraine, and points of view of some experts of these countries. In addition, despite the fact that the European Union has unanimously decided to impose sanctions, the views of the members vary. Particular countries actively support the continuation of the sanctions of the economic policy towards Russia. Other countries are close to a neutral position. The third group of countries also sees the drawbacks in these measures and expresses themselves in this direction.

This conflict arose not just because it was due to the history of relations between the West and Russia, between the U.S. and Russia, between the EU and Russia, in particular, and between Russia and Ukraine. The United States played an important role in the beginning and operation of the sanctions policy against Russia. This point of view was expressed by the Russian President Vladimir Putin.

Relations between the U.S. and Russia have a complex history, distinguished by both moments of rapprochement and open confrontation and contention. In addition, the American policy is conditioned by the ideological content, which includes elements of exclusivity, superiority, the notion that American democracy is the ideal type that must also be extended to other countries without considering the individual characteristics of other states, their history and traditions. Ideological aspect holds a significant place in American society, the Americans truly believe that the ideas they support represent universal truths and are valid for all times. Such situation has both advantages and disadvantages. On the one hand, the country has a strong unifying principle. On the other hand, foreign policy lacks the flexibility.

The American ideology has impact on the international relations, also on the internal situation in some countries, because it involved in political process, debates, public opinion and sometimes results in the interference in domestic or regional affairs or even military actions. The Americans believe that the model of democracy of the United States is effective, from this point also a conception of the democratic transition emerged. The idea of the Americanocentrism is also involved into the field of ideology, and reflects in the belief that the whole world is presenting the sphere of American interest.

The form of the implementation of the U.S. strategy should also be considered. It is important to comprehend, whether it is a leader or hegemon. However, there are a lot of definitions of these terms. Leadership could mean a condition when followers of the leader are willing to come after him. From this perception, hegemony, on the contrary, does not consider the opinion and approval of others¹⁹⁵. Thus, taking into account the numerous unilateral acts, the disapproval of its policy by some states, we can conclude that America is a hegemon, even if it concealed its intentions using the status of global leader. The American politicians in the postwar period defended the concept of hegemony in theory and in practice. They ignored the

¹⁹⁵ Shakleina T. A. Russia and the USA in world politics. / M.: Aspekt Press, 2012. – P. 43.

fact that American actions under such assumption lead to disorder in the international system. On the contrary, they believed that most of the world welcomes the U.S. leadership and that its policy always generates stability¹⁹⁶. However, it is clear that the political and economic power of America is declining due to different reasons including huge military expenditure made to outstrip the USSR¹⁹⁷.

Another aspect is that American foreign activity is very high. The USA interferes in domestic and regional affairs in many cases from Iraq to Ukraine. The reasons and motivation are different. In the Middle East the intervention is cased by interest in the energy resources, whereas on the post-Soviet space America strives for destabilizing situation in the region, tries to undermine the Russian influence and authority, wants to extend the sphere of the American influence. Such attempt to manipulate the processes in the world faces critics from other states, which want to solve their internal problems independently.

Although Russia and America have mutual concerns and problems, including terrorism, proliferation of nuclear weapons, conflict resolution, the cooperation on these important issues is not as deep and efficient as it might be¹⁹⁸. There are many reasons for it, not least of which are ideological factor and aspirations of states. Two powerful countries do not allow mutual cooperation on global problems develop because of prejudice to each other, the hostility that exists between them, while joint actions might have helped to fight terrorism more effectively. However, countries prefer to continue to strive for the leadership, to indulge the ambitions and to avoid a thoughtful collective analysis of the situation. This is especially true for the United States, as Russian President Vladimir Putin before the attacks in Paris and the fall of the Russian aircraft at the conference of the UN General Assembly called to countries to unite their efforts in order to solve urgent problems. President of Russia noted the existence of international terrorism, its dangerous character and terrible consequences, emphasized that states should work together to overcome current difficulties and highlighted the need of creation of a new broad international anti-terrorist coalition 199. If the USA was an indispensable power and global leader for a short period of time after the collapse of the Soviet Union, it should be borne in mind that the situation is changing, some countries are increasing their capacities and potentials, new centers of power are emerging, with the presence of which we can no longer speak of unipolarity. F. Zakaria in his book «The Post-American World» underlined the unstable character of the world and relations between states in the international arena, the gradual transition from the influence of the United States in the world to the appearance of other important players, such as the economically rising countries of Asia. According to the analyst, Washington should take into account the existence of the concept of «freedom of choice» when it comes to the conduction of foreign policy, and not only follow its own position on some issues²⁰⁰.

¹⁹⁶ Reich S., Lebow R. N. Good-Bye hegemony. Power and influence in the global system. Princeton: Princeton University Press, 2014. – Pp. 12, 44.

¹⁹⁷ Lieven A. The Cold War and the Post-Cold War world // Russia in Global Affairs. 2011. [Electronic source] URL: http://eng.globalaffairs.ru/print/number/The-Cold-War-and-the-Post-Cold-War-World-15427 (date of access: 15.04.2017).

¹⁹⁸ U.S. – Russian Engagement in Global Issues / Shakleina T. A. Russia and the United States in contemporary international relations. Selected papers. M.: 2013. – Pp. 41-42.

¹⁹⁹ Vladimir Putin's Speech at the 70th Conference of the UN General Assembly. 2015. [Electronic source] URL: http://kremlin.ru/events/president/news/50385 (date of access: 15.04.2017).

²⁰⁰ Zakaria F. The post-American World / New-York: W. W. Norton, 2008. – P. 142.

Michael Mandelbaum claimed that the era of superiority and exceptionalism of America is coming to the end and in the United States will have to act like an ordinary state²⁰¹.

Zbigniew Brzezinski believed that after the collapse of the Soviet Union in the world there was only one superpower. Nevertheless, the balance of power in the world gradually began to move from West to East and the situation has changed.²⁰².

However, the impact of the ideology on policy reflected in that the U.S. does not want to lose the status of a global leader, is seen in continuation of conducting the unidirectional actions interfering in the internal affairs of countries. If America did not change its foreign policy and the accompanying rhetoric, it might lose its allies and the image of the USA in the world would deteriorate even more. However, the situation is controversial because not only the image of America is under threat, but the world security. The USA cannot solve all global problems including terrorism, climate change, cybercrime without participation of other countries, not the least of which is Russia with its substantial military power. Current situation provide circumstances, under which Russia is becoming an «indispensable state» because its contribution to the fight with terrorism could hardly be underestimated.

There is a broad discussion among politicians and experts about the contemporary world order. During the Cold War there were two blocs, which opposed each other, with the leading roles of the USSR and the USA. The world system was considered to be bipolar. Then, with the collapse of the Soviet Union, the situation had changed. Most foreign and domestic experts on international relations suggest that the division between the Cold War and the current stage of international relations were the political changes in Central Europe in 1989 and the obvious symbol of the change of the world order was considered the fall of the Berlin Wall. The post-Cold War period is described by various experts and states in different ways. For instance, Yevgeniv Maksimovich Primakov came out for the idea of multipolarity. American side with the influence of the ideological component has seen the world as unipolar structure with the prevailing role of the United States²⁰³. The Russian President at the Munich Conference on Security Policy said that the unipolar world does not respond to the principles of democracy, because it does not take into account the views of the minority. In addition, from his point of view, the unipolar world has not solved a single problem, on the contrary, there is the issues of use of force and disregard for international law²⁰⁴. Samuel Hantington, American political scientist and academic, claimed that modern world is characterized by the existence of only one superpower – the USA – but cannot be considered to be unipolar, because such type of order means that there are many minor powers and no significant major powers, whereas the current situation is different. The expert stated that the contemporary system is unimultipolar with the leading role of the U.S. because of its superiority in different aspects of power (economic,

 $^{^{201}\} Mandelbaum\ M.\ The\ frugal\ superpower.\ America's\ global\ leadership\ in\ a\ cash-strapped\ era.\ N.Y.:\ Public Affairs,\ 2010.-P.$

²⁰² Brzezinski Z. Strategic vision. America and the crisis of global power. N.Y.: Basic Books, 2012. – P. 318.

²⁰³ Contemporary international relations. / Edited by A. V. Torkunov. – M.: «Rossiiskaya politicheskaya enciklopediya» (ROSSPEN), 1999. – Pp. 25-26.

²⁰⁴ President Putin speech in Munich. February 2007 / [Electronic source] URL: http://archive.kremlin.ru/appears/2007/02/10/1737 type63374type63376type63377type63381type82634 118097.shtml (date of access: 15.04.2017).

cultural, military, etc.) and the important role of major powers in regions of their influence. In such hybrid system actors have multidirectional interests and aspirations. America wants the world to be unipolar and desires to be a key player on the world stage. Regional powers, on the contrary, want the establishment of multipolar system and perceive the desire of the United States to obtain a global leadership as a threat²⁰⁵. It is also necessary to mention the regionalism. With all the diverse, unequal rates of development and degree of integration, regional groups provide additional features to change the geopolitical map of the world. The new regional poles of power counterbalance the U.S. Europe could be considered as the supporter of the U.S. and also as one of the poles in the world if it is considered as an actor wanting to be independent from the opinion of the U.S. in the international affairs.

The actions of the U.S. in the Ukrainian case including sanctions against Russia are dictated also by the ideological aspect. Understanding the possible losses of the military activity with the big military potential of Russia, America imposed economic sanctions in order to change the behavior of Russia in Ukraine.

The Minister of Foreign Affairs of the Russian Federation S. Lavrov noted on the imposition of sanctions against Russia in connection with the Ukrainian crisis and on the participation in this of the U.S. that the U.S. failed to prejudice the whole world against Russia, despite that it was trying to do so. Only the EU and several close allies of the USA supported the sanctions against Russia. He also stated that the U.S. is full of confidence in its exclusivity, and this cannot be changed. According to Minister Lavrov, relations between Russia and the West deteriorated rapidly, but the preconditions for this were accumulating for a long time, there were attempts to isolate Russia for the «Magnitsky case», for refusing to support the regime change in Syria, then for Snowden²⁰⁶.

In 2017, Donald Trump became the U.S. President. Regarding sanctions against the Russian Federation he stated that this could help to conclude a couple of good deals with Russia. At the same time, he noted that for him the priority in building relations with Moscow would be a matter of deterring nuclear potential. Donald Trump also said that he intended, at least for several days after his assumption of office, to retain the anti-Russian sanctions imposed by the administration of his predecessor Barack Obama. At the same time he noted that he could cancel the restrictive measures if Moscow will be effective in combating terrorism, as well as in achieving other goals that are important for the United States. As can be seen from the statements of the American president, he approaches sanctions against Russia pragmatically²⁰⁷.

The Adviser to the U.S. President Donald Trump, Kellyanne Conway, said that the easing of sanctions against Russia is possible soon, and that it is in the process of consideration²⁰⁸. However, this did not happen. According to the Representative of the Russian Federation to the EU, Vladimir Alekseevich Chizhov, the US is

²⁰⁵ Huntington S. P. The lonely superpower / Foreign Affairs. – Vol. 78. – 1999. – № 2. [Electronic source] URL: http://www.foreignaffairs.com/articles/54797/samuel-p-huntington/the-lonely-superpower (date of access: 15.04.2017).

²⁰⁶ Lavrov: the USA failed to tune the whole world against Russia. / TASS. 2014. [Electronic source] URL: http://tass.ru/politika/1439633 (date of access: 15.04.2017).

²⁰⁷ Trump spoke about sanctions against Russia, «the outdated» NATO and the problems of the Middle East. / TASS. 2017. [Electronic source] URL: http://tass.ru/mezhdunarodnaya-panorama/3942727 (date of access: 15.04.2017).

²⁰⁸ Trump's advisor confirmed the discussion of the abolition of the anti-Russian sanctions. / Interfax. 2017. [Electronic source] URL: http://www.interfax.ru/world/547356 (date of access: 15.04.2017).

not ready to abolish anti-Russian sanctions, judging by the statements that come from America. He also noted the probability of an attempt by the High Representative of the EU for Foreign Affairs and Security Policy, Federica Mogherini, during the U.S. visit to send to America a signal about the impossibility of reviewing the sanctions²⁰⁹.

The director of the FBI of the USA, James Comey, believes that Russia poses a huge threat, based on its intentions and capabilities. Also, in his opinion, Russia is trying to influence the American politics²¹⁰.

Henry Kissinger, which was the secretary of state of the U.S., claimed that the Crimea's joining the Russian Federation was not a step toward global conquest. He also noted that America and Europe have a sort of responsibility for the escalation of conflict but it does not imply that the response of Russia was suitable²¹¹.

Zbigniew Brzezinski, the co-chairman of the Supervisory Board of the Center for International and Strategic Studies in Washington, said that Russia is focused on cooperation with Europe, is aimed at cooperation with China, and also is intended to improve its relations with the United States. In his opinion, it is Russia who could become a country that by means of a compromise will solve the Ukrainian question. Brzezinski noted regarding the annexation of the Crimea that Russia's aggression on this territory is historically unjustified and will be a constant source of tensions. He also expressed hope that the Russians will understand that it is not in their interests to act in an imperialist manner, considering that Russia itself is not an imperialist, dominant state²¹².

America also encouraged its allies to join the sanctions against Russia. The countries friendly to the U.S., such as Australia, Canada, New Zealand, and Japan applied sanctions as the EU did.

Tony Abbott, who was Prime Minister of Australia, announced his agreement with Barack Obama, who described the actions of the Russian authorities as violating the international law. It is obvious that the sanctions announced by Australia against Russia are of symbolic significance. They are intended to demonstrate the solidarity of the Australian authorities with the Western world. Trade and economic relations between the two countries are at a sufficiently low level to become an instrument of the Australia's influence on Russia. In addition, on board of the Malaysian Boeing were the Australian citizens, and, according to the Australian Prime Minister Tony Abbott, the plane was shot down by the Russian-backed rebels using the equipment supplied by Russia²¹³. Thus, these views served even further in cooling relations between Russia and Australia and increased the Australian distrust towards Russia.

²⁰⁹ Chizhov stated the absence of signals from the U.S. on the lifting of sanctions against the Russian Federation. / Interfax. 2017. [Electronic source] URL: http://www.interfax.ru/world/552084 (date of access: 15.04.2017).

²¹⁰ The Director of the FBI called Russia the biggest threat possible. / Interfax. 2017. [Electronic source] URL: http://www.interfax.ru/world/561054 (date of access: 15.04.2017).

²¹¹ Do we achieve world order through chaos or insight? Interview with Henry Kissinger. / SPIEGEL ONLINE. 2014. [Electronic source] URL: http://www.spiegel.de/international/world/interview-with-henry-kissinger-on-state-of-global-politics-a-1002073.html (date of access: 15.04.2017).

²¹² Not bad, if Putin will think about the future. / Gazeta.ru. 2017. [Electronic source] URL: https://www.gazeta.ru/politics/2017/03/28 a 10599701.shtml (date of access: 15.04.2017).

²¹³ Nikolaev V. P. Australian version: sanctions against Russia. // Southeastern Asia: topical problems of development. – 2014. – № 25. [Electronic source] URL: http://cyberleninka.ru/article/n/avstraliyskiy-variant-sanktsii-protiv-rossii (date of access: 15.04.2017).

Australia is a long-standing and reliable partner of the United States. There is interaction between countries in the spheres of intelligence information exchange, economic, and other. However, the newly elected president of the United States, Donald Trump, could contribute to the deterioration of relations between the states and the U.S. could lose its ally. This can also affect the foreign policy of Australia, in particular, it could take a decision on the lifting of sanctions against Russia, as the imposing of them by Australia was made after and considering the actions of the United States in this direction. The risk of deterioration in relations between Australia and America is present due to the fact that in a telephone conversation between the American President Donald Trump and the Australian Prime Minister Malcolm Turnbull, the issue of a refugee agreement signed by the Barack Obama's administration was mentioned. The agreement includes a provision on the obligation of the USA to accept 1250 refugees from Australia. Prior to this, Trump signed a decree on a temporary ban on the entry of refugees and was outraged by the existence of the agreement with Australia. Donald Trump talked with four more leaders of the countries that day and called the telephone conversation with the Australian Prime Minister the worst²¹⁴. Thus, the behavior and outlook on the foreign policy of the new U.S. president could lead to the deterioration of relations with its allies, in turn they could refuse continue the policy of sanctions against Russia, since they introduced them also because they followed the example of America.

However, the opinions vary on the issue of the incentives of the EU to do it, in particular, was it an independent decision or the imposing of sanctions against Russia was made under the influence of the American side.

The President of Venezuela, Nicholas Maduro, said that he believes that everything will be resolved peacefully, and that sanctions were initiated by the U.S. in order to affect the Russian President Putin. He also noted that the U.S. should have given him the Nobel Peace Prize for stopping the war in Syria and avoiding the war in Ukraine today²¹⁵.

The EU High Representative for Foreign Affairs and Security Policy, Federica Mogherini, noted that the EU's economic sanctions against Russia remain related to the implementation of the Minsk agreements, despite the opinion that the U.S. administration, headed by Trump, will have on this issue²¹⁶.

According to the results of the conducted survey, only 2 respondends (Italians) of 50 noted that the decision to impose sanctions against Russia on the part of the EU was independent. The overwhelming majority of respondents from Russia and Italy believe that this decision was depended on the point of view of the United States (Appendix \mathbb{N}_2 1, Appendix \mathbb{N}_2 2, Appendix \mathbb{N}_2 3).

The European Union is a regional political and economic union of 28 states, aimed at integration. As a supranational structure, on the basis of concluded treaties, the European authorities such as the European

²¹⁴ «This was the worst call by far»: Trump badgered, bragged and abruptly ended phone call with Australian leader. / The Washington Post. 2017. [Electronic source] URL: <a href="https://www.washingtonpost.com/world/national-security/no-gday-mate-on-call-with-australian-pm-trump-badgers-and-brags/2017/02/01/88a3bfb0-e8bf-11e6-80c2-30e57e57e05d story.html?tid=sm tw&utm term=.58b8f4c7d75d (date of access: 15.04.2017).

²¹⁵ Shot in the leg, spiraling, threat to humanity: leaders about sanctions against the Russian Federation. / TASS. 2014. [Electronic source] URL: http://tass.ru/politika/1562659 (date of access: 15.04.2017).

Mogherini: the EU decisions on sanctions against Russia will not be tied to Washington's position. / TASS. 2016. [Electronic source] URL: http://tass.ru/mezhdunarodnaya-panorama/3873651 (date of access: 15.04.2017).

Council, the European Commission, the Council of the European Union, the European Parliament, the Court of the European Union and others have been established and are carrying out executive, legislative, judicial functions as in the state with applied separation of powers into branches. In addition, the European Union pays attention to the regions, their points of view on various policies and issues, in particular, foreign policy activities. Thus, the Committee of the Regions, which is an advisory body of the European Union, operates. It includes representatives of local and regional authorities. The EU institutions, when deciding on issues within the competence of local and regional authorities, are obliged to consult the Committee of the Regions. Not only individual member countries of the European Union have an influence on the policy developed by the supranational association. The role and influence of regions and provinces, which are aimed at the opportunity to be represented in the European Union, is growing.

At certain moments in history, Europe had a great influence on the international relations and was a key player in the world. Thus, in the framework of the Vienna system of international relations in the XIX century, which is also called the Concert of Europe, Europe acted as a single factor of influence. In the Versailles-Washington system of the international relations, established after the First World War, the leadership of the USA, Britain and France operated, while ignoring the interests of the Soviet Union. After the Second World War, within the framework of the Cold War, there was a confrontation between the two blocs, led by the United States and the USSR, and a bipolar system functioned. After the collapse of the Soviet Union, America attributed itself to the status of a global leader and interfered in the internal affairs of other countries. Europe in this situation has moved slightly to the background, although it continues to be an important player in the political international arena. Nevertheless, some experts have the opinion that the EU is an ally of America and in many decisions it is not an independent actor, but follows the instructions of the American colleague²¹⁷²¹⁸. Perhaps, the EU might not like this position and would like to be more independent in the matters of foreign policy. However, in view of the UK's withdrawal from the EU, it has problems of an internal nature and it is focused at the moment on preserving the unity and not on the issues of foreign policy.

Undoubtedly, it is the governments of the EU member states that have the decisive role in determining the foreign policy course. Nevertheless, the regions are becoming key actors in the development and decision-making in the field of programming and financing of regional development. Their representations in the EU are increasingly being involved to participate in the negotiations, including within the framework of the Council of the European Union²¹⁹.

The relations between the institutions of the European integration on the initial stage with the USSR were not so easy. This was caused also by the Cold War and the ideological confrontation between the Soviet bloc and the Western countries.

²¹⁷ EU Foreign Policy toward Russia still «fully dependent on the U.S.». / Sputnik. [Electronic source] URL: https://sputniknews.com/europe/201701031049222278-eu-us-russia-sanctions/ (date of access: 15.04.2017).

²¹⁸ Does the EU have an independent foreign policy? / BBC. 2015. [Electronic source] URL: http://www.bbc.com/russian/international/2015/12/151221 q a europe politics (date of access: 15.04.2017).

²¹⁹ Zonova T. V. Paradiplomacy of European Regions. // Vsya Evropa. − 2011. − № 4. [Electronic source] URL: http://alleuropalux.org/?p=2673 (date of access: 15.04.2017).

The European integration was considered as the act of aggression towards the Soviet Union, as the attempt to strengthen the position of the Western ideology against the Soviet ideological system.

Because of the differences in ideologies and opposition between two actors, the Soviet government did not have the willingness to establish official relations with the EEC. Nevertheless, the economic relations between the USSR and individual countries of the EEC were maintained and the bilateral agreements functioned.

In 1988 there was n action of the recognition of the EEC with the signing of Joint Declaration on the foundation of relations of the official character between the Comecon and the EEC. In 1988 also the official relations were founded between the USSR and the EU.

After the collapse of the bipolar system and the Soviet Union, Russia had to adjust to the new circumstances. It lost part of the territory, met the challenges in the economic sector also due to the shift from planned economy to market economy, faced the need to reconstruct ideology, the necessity to find its role in the international arena and build its relations with other countries. The challenges were not easy to deal with. But it is necessary to understand that the market economy, democratic governance are being built in Russia only since the 1990s, whereas in the countries of Europe, the USA, this process started earlier.

The Russian Federation with its proclamation tried to follow the Western example to establish the governance in the state on the democratic principles, free trade and market economy. Thus, it considered the Western countries as the ones that could help in this direction. Russia has seen the relations with the EU as a priority in the foreign policy.

Russia and the EU before the Ukrainian crisis had several aspects, on which the opinions of two actors varied. These include the issues of the energy security, the visa-free-regime, the activity of the EU on the territory of the former Soviet Union using economic instruments and also the promotion of values and principles there. The Council of Europe stated that in the Russian Federation violation of human rights is observed. In 2009, the Third Energy Package was used, which is aimed at the reducing of the control of suppliers over the pipelines and the distribution means, what influence the Russian company Gazprom. Russia also stopped the realization of the South Stream project with the unconstructive position of the EU due to the fact that there is no permission from Bulgaria for construction. Moreover, in 2014, Russia made complaint to the WTO because of the energy rules of the EU, which it sees not complying with the international laws²²⁰.

After the imposing of sanctions the diplomatic ties became weaker as the joint work in the direction of solving global problems.

According to T. V. Zonova, the Western countries' public opinion contains stereotypes about the Russians, people are afraid of Russia because of the energy issues and dependence, due to which they could face the stop of supplies of energy resources by Russia. It should be noted that bilateral relations with detached

²²⁰ Zonova T. V. From Cold War to Cold Peace: the EU-Russian Relations. / MGIMO. [Electronic source] URL: http://mgimo.ru/people/zonova (date of access: 15.04.2017).

members of the European Union are developing better in comparison with the relations of the Russian Federation and the European Union in general²²¹.

The Representative of the Russian Federation in the European Union Vladimir Alekseevich Chizhov said that while taking decisions, the EU countries are interested in preserving the unity, which gradually turned into a target, even at the price of the quality of decisions taken, including in view of the referendum in the UK, which showed the country's desire to withdraw from the EU. According to him, the scheme of discussing and deciding on the sanctions against Russia in the EU is as follows: the significant EU countries are expressing their opinions, saying that sanctions should be either abolished or weakened. However, smaller states are stating that sanctions should be strengthened, and then the head of the European Council, presiding at the summits, Donald Tusk, is saying that the unity of the EU is under threat, and the member states of the EU need to leave it as it is, what is happening²²². Thus, it could be stated that there is no even discussion in the EU on the theme of the sanctions against Russia because the countries do not want to loose the unity of the EU.

There is a number of countries in the European Union that sees the negative effect of sanctions and counter-sanctions in connection with the Ukrainian case. Thus, Slovak Prime Minister Robert Fico noted that sanctions do not solve anything, they are only an instrument of policy that failed to achieve the established goals. He also believes that the Minsk agreements have become a big political achievement and that reasonable cooperation is important both for the EU and for the Russian Federation²²³. According to the Czech president, Milos Zeman, the sanctions are not only ineffective, but, on the contrary, counterproductive. They increase tension rather than promote detente. He also noted that sanctions increase distrust between countries. Milos Zeman supported the early abolition of anti-Russian sanctions. According to him, the pressure on Russia is inconclusive and leads to increased tensions in relations with the West. Milos Zeman also drew attention to the importance of cooperation between Russia and the EU, which complement each other economically, since Russia needs modern technologies, and the EU requires imported raw materials. According to the Czech President, both sides will benefit from the combination of the economic opportunities. He also noted the importance of implementing the Minsk agreements²²⁴. The Greek Prime Minister, Alexis Tsipras, called the policy of sanctions caused by the tension in Ukraine senseless. He also noted that Russia and Greece have the opportunity to develop relations in energy and tourism and said that as a result of imposing sanctions, the Greek economy was damaged in the sphere of the agricultural production. Alexis Tsipras expressed the opinion that Greece does not agree with the sanctions and that he supposes that this is a road leading to nowhere. He noted that he supports the view that dialogue, diplomacy and negotiations are necessary in this situation. The Prime

²²¹ Zonova T. V. Cultural Diplomacy as a «Soft Power» Tool in the EU-Russia Relations. / Rivista di Studi Politici Internazionali. Nuova Serie. – Vol. 80. – 2013. – № 3. – Pp. 361-365. [Electronic source] URL: https://www.jstor.org/stable/42741686?seq=1#page scan tab contents (date of access: 15.04.2017).

²²² Vladimir Chizhov: prolongation of sanctions against Russia became for the EU an end in itself. / TASS. 2016. [Electronic source] URL: http://tass.ru/opinions/interviews/3874041 (date of access: 15.04.2017).

²²³ The Slovak Prime Minister called for the lifting of sanctions against the Russian Federation. / TASS. 2015. [Electronic source] URL: http://tass.ru/mezhdunarodnaya-panorama/1997975 (date of access: 15.04.2017).

President of the Czech Republic: sanctions against Russia are counterproductive and increase tension. / TASS. 2015. [Electronic source] URL: http://tass.ru/mezhdunarodnaya-panorama/1947123 (date of access: 15.04.2017).

Minister of Greece stated that the achievement of the Minsk agreements is very important and it is necessary to do everything possible to end the tensions in Ukraine. According to him, Greece and Russia have common roots, struggle, religion, and culture. Alexis Tsipras also noted that Greece, as a member state of the EU, could be a bridge between the West and Russia²²⁵. Minister of Foreign Affairs of the Republic of Cyprus, Ioannis Kasoulides, stated that Cyprus was agreed with the proposed list of measures towards Russia in relation to the Ukrainian case in order to maintain unanimity. He also pointed out that after the Cold War the economies of European countries are interdependent and that Cyprus opposes measures that will in practice punish the EU member countries and their economies²²⁶. The Hungarian Prime Minister, Viktor Orban, considered the EU's sanctions policy to be not sufficiently thought out. According to him, the Western sanctions policy creates more inconveniences for the European Union than for Russia, what in politics is called «shoot yourself in the foot»²²⁷.

In July of 2014, some EU countries (France, Germany, Luxembourg, Austria, Bulgaria, Italy) took a restrained position on imposing sanctions against Russia, but later voted they in favor of it²²⁸.

The French presidential candidate and leader of the National Front Party, Marín Le Pen, stated that she had always advocated the lifting of sanctions against Russia, which she considered to be counterproductive. She also noted that she supports the abolition of the «black lists», at least in France²²⁹.

In the report of the Italian Institute for International Political Studies (ISPI), the Italian think tank, regarding the sanctions against Russia it is noted that this policy inevitably caused disagreement in the EU²³⁰.

According to the German expert Stefan Meister, by 2016 Russia can be said to have returned to the international arena and withdrew from the isolation in which it was due to the crisis in Ukraine and that the EU and the U.S. are highly interested in normalizing relations with Russia. He also suggests that rapprochement most likely will not lead to the success in the long term, as Russia and the West pursue different interests²³¹.

In 2014, Norway imposed the same sanctions against Russia as the EU. According to Norwegian Foreign Minister, Berge Brende, Moscow has not expressed readiness to change its behavior towards Ukraine²³².

²²⁵ Alexis Tsipras: sanctions against Russia – road to nowhere/ TASS. 2015. [Electronic source] URL: http://tass.ru/mezhdunarodnaya-panorama/1867382 (date of access: 22.04.2017).

²²⁶ Cyprus Foreign Ministry against sanctions against Russia, which could affect the EU economy. / TASS. 2014. [Electronic source] URL: http://tass.ru/mezhdunarodnaya-panorama/1054487 (date of access: 22.04.2017).

²²⁷ Shot in the leg, spiraling, threat to humanity: leaders about sanctions against the Russian Federation. / TASS. 2014. [Electronic source] URL: http://tass.ru/politika/1562659 (date of access: 22.04.2017).

²²⁸ Who is against the sanctions. / TASS. 2016. [Electronic source] URL: http://tass.ru/mezhdunarodnaya-panorama/1055587/7 (date of access: 22.04.2017).

²²⁹ Marín Le Pen promised to fight for the abolition of the anti-Russian sanctions. / Interfax. 2017. [Electronic source] URL: http://www.interfax.ru/world/555178 (date of access: 22.04.2017).

²³⁰ Putin's Russia: really back? Research ISPI. / ISPI. 2016. [Electronic source] URL: http://www.ispionline.it/it/articoli/articolo/russia-eurasia/putins-russia-really-back-rapporto-ispi-15515 (date of access: 22.04.2017).

²³¹ German expert: in 2016 there will be rapprochement of Russia with the West. / Inosmi.ru. 2015. [Electronic source] URL: http://inosmi.ru/politic/20151225/234924796.html (date of access: 22.04.2017).

²³² Norway decided to join new sanctions of the EU against Russia. / Interfax. 2014. [Electronic source] URL: http://www.interfax.ru/world/390803 (date of access: 22.04.2017).

There are also other countries that are not members of the European Union, which express their opinion on the sanctions against Russia due to the Ukrainian crisis. The Chinese Ambassador to Russia, Li Hui, noted that China opposes unilateral sanctions, and believes that they will not be able to resolve the issues that have arisen. He also noted that the economic cooperation with Russia is extremely important for China²³³. The Vice Premier of the State Council of China, Wang Yang, noted that the Western countries have mistakenly carried out sanctions against Russia²³⁴. The President of the Republic of Nicaragua, Daniel Ortega, said that the position of the U.S. and the EU with sanctions and pressure is the wrong way. He noted the need for a peaceful settlement of the situation linked to the Ukrainian crisis, compliance with international law. Daniel Ortega said that Nicaragua supports the results of the Crimean referendum and Russia's initiatives for finding peaceful solutions from the situation of both Syria and Ukraine. He also criticized the new authorities in Kiev²³⁵. The former Serbian Prime Minister, Alexander Vučić, which in 2017 was elected the President of Serbia, paid attention to the fact that Serbia is a free and independent state and it did not and will not impose any sanctions against Russia²³⁶.

Russia vetoed a draft resolution of the UN Security Council that proposed to declare a referendum on the status of Crimea on 16th March of 2014 to be illegitimate. The document, initiated by the United States, was supported by 13 member countries of the Security Council with an abstaining China²³⁷.

On 27th March of 2014, at the 80th plenary meeting of the 68th session of the UN General Assembly as a result of an open vote the Resolution on the territorial integrity of Ukraine was adopted. According to the Resolution, the UN General Assembly confirms the sovereignty and territorial integrity of Ukraine and does not recognize the legality of any change in the status of the Autonomous Republic of Crimea and the status of the city of Sevastopol, based on the results of the general referendum held on 16th March of 2014, as this referendum has no legal force. Out of 193 UN member states, 100 voted «for», 11 – «against», 58 countries «abstained» and 24 countries did not participate in voting. However, the resolutions of the UN General Assembly have a recommendatory character, in contrast to the decisions of the UN Security Council, which are binding²³⁸.

Ukraine still considers the Crimea its own, but temporarily occupied territory. President of Ukraine Petro Poroshenko noted that in his opinion, America is a global leader, and not a single American president, including

²³³ Chinese Ambassador to Moscow: China opposes unilateral sanctions against Russia. / TASS. 2014. [Electronic source] URL: http://tass.ru/mezhdunarodnaya-panorama/1158483 (date of access: 22.04.2017).

²³⁴ Shot in the leg, spiraling, threat to humanity: leaders about sanctions against the Russian Federation. / TASS. 2014. [Electronic source] URL: http://tass.ru/politika/1562659 (date of access: 22.04.2017).

²³⁵ President of Nicaragua: the Western sanctions against Russia – not a right way. / TASS. 2014. [Electronic source] URL: http://tass.ru/mezhdunarodnaya-panorama/1157597 (date of access: 22.04.2017).

²³⁶ Shot in the leg, spiraling, threat to humanity: leaders about sanctions against the Russian Federation. / TASS. 2014. [Electronic source] URL: http://tass.ru/politika/1562659 (date of access: 22.04.2017).

²³⁷ UN Security Council action on Crimea referendum blocked. / The UN News Centre. 2014. [Electronic source] URL: https://www.un.org/apps/news/story.asp?NewsID=47362#.WP6E01JePBI (date of access: 22.04.2017).

²³⁸ The UN General Assembly called to respect the territorial integrity of Ukraine. / Center of UN news. 2014. [Electronic source] URL: http://www.un.org/russian/news/story.asp?newsID=21375#.WP54TVJePBJ (date of access: 22.04.2017).

Trump, recognizes the legality of the Crimea's accession to Russia²³⁹. He also justified the need to preserve the sanctions against Russia by the fact that because of them it is possible to negotiate with Russia and it did not send tanks to Europe. The Ukrainian President pointed out that the sanctions against Russia are the examination for the unity of the EU in order to see if the EU is in decline or it will fight for its values²⁴⁰.

The Russian Ministry of Foreign Affairs has repeatedly stated that the Crimean people democratically, in full accordance with international law and the UN Charter, voted for reunification with Russia that respects and accepts this choice, and such a decision is a reality that must be taken into account. The abolition of restrictive measures by Western countries is linked to the Russia's implementation of Minsk agreements. The document, in particular, provides for a cease-fire, removal of heavy weapons from the line of contact of the opposing sides, as well as constitutional reform in Ukraine. Russia has repeatedly stated that it is not a party of the conflict, and responsibility for the implementation of agreements remains on the Kiev authorities. The Russian President Vladimir Putin expressed that Russia will maintain retaliatory measures as long as the Western sanctions against it remain in force²⁴¹. According to O. N. Barabanov, the policy of sanctions pursued by America is counterproductive. It puts the economic interests of the USA's European allies under attack, and this reason has already led to a serious split within the EU. Naturally, in these conditions, the Russian foreign economic strategy is largely reoriented to Asia. In addition, he believes that the American sanctions against Russia do not play a big role, since the economic ties between the two countries have never been serious, and that a boycott of the American goods can be an effective response to the sanctions of the USA²⁴². According to Andrei Andreevich Sushentsov, the economic cooperation between the parties is expanding despite the anti-Russian sanctions, because sanctions affect the interests of many key actors in the West, who are not satisfied with it. In addition, the discussion of the issue of anti-Russian sanctions is gradually ending to be linked to the Ukrainian crisis. which is caused by the recognition of the Western countries of the fact that it is Kiev that delays the implementation of the Minsk agreements. Sushentsov supposes that this creates the conditions for the formation of a transatlantic consensus on the need to lift the sanctions²⁴³. In the opinion of Igor Aleksandrovich Istomin, the trade turnover between Russia and the EU remains at a high level even taking into account the sanctions, that is, sanctions have probably a symbolic character²⁴⁴.

²³⁹ Poroshenko saw the eternal readiness of the United States not to consider Crimea as Russian. / LENTA.RU. 2017. [Electronic source] URL: https://lenta.ru/news/2017/04/20/bezsomneniy/ (date of access: 22.04.2017).

²⁴⁰ Ukraine President says sanctions keep Russian tanks out of Central Europe. / The Guardian. 2017. [Electronic source] URL: https://www.theguardian.com/world/2017/apr/19/ukraine-president-petro-poroshenko-asks-us-to-maintain-sanctions-against-russia (date of access: 22.04.2017).

²⁴¹ Putin: Russia will keep a ban on a number of foreign goods, while the sanctions of the West will be in force. / TASS. 2017. [Electronic source] URL: http://tass.ru/ekonomika/4147850 (date of access: 22.04.2017).

²⁴² Barabanov O. N. The best answer to sanctions – boycott of American goods. / Portal of MGIMO. 2014. [Electronic source] URL: http://old.mgimo.ru/news/experts/document258422.phtml (date of access: 22.04.2017).

²⁴³ Sushentsov A. A. The sanctions regime and the new economic reality. / Russia in Global Affairs. 2017. [Electronic source] URL: http://www.globalaffairs.ru/global-processes/Rezhim-sanktcii-i-novaya-ekonomicheskaya-realnost-18669 (date of access: 22.04.2017).

²⁴⁴ Istomin I. A. There are contradictions, but the world is not on the threshold of war. / Portal of MGIMO. 2016. [Electronic source] URL: http://mgimo.ru/about/news/experts/voznikayut-protivorechiya-no-mir-ne-na-poroge-voyny/ (date of access: 22.04.2017).

There are different opinions on the policy of sanctions, started in 2014 by some countries of the West against Russia in response to annexation of Crimea. Some of countries support the USA and the EU, some are on the side of the Russian Federation, others are holding a neutral position. The Russian position is that the sanctions were initiated by the USA and after it encouraged its allies to join. The EU defends the position that it decided on imposing sanctions on Russia independently. Nevertheless, the sanctions were imposed by the USA and the EU and supported by their allies. According to the results of voting on the resolution in the General Assembly of the UN on the issue of the violation of the territorial integrity of Ukraine, the majority of countries stood out for the idea that the annexation of Crimea was illegitimate. However, the situation for the development of the international relations, international peace and stability is dangerous as the Western countries and Russia are in the state of conflict and the situation could develop to the one that was during the Cold War with the confrontation of two blocs. Another issue is the newly elected U.S. President Donald Trump, which could change the situation seriously if he will worsen the relations of America with its allies such as Australia, which support sanctions but could lift them because of conflict with their ally. Countries should not forget that there are global issues, which is possible to solve only collectively.

4.2. Influence of sanctions, drawbacks and advantages in existing situation

There are both advantages and disadvantages of the new economic policy of the EU towards Russia comprising the sanctions on individuals and financial operations and the counter-sanctions of Russia containing embargo on food products. However, in this part the point of view that advantages overweigh will be presented and proven.

In the opinion of the Italian Ambassador to Russia, Cesare Maria Ragaglini, Italy intends to make every effort within its chairmanship in the EU in order to return the relations between the European Union and Russia to normal state. He also noted that any crisis always provides opportunities for the development²⁴⁵. This can be applied to the situation in the Russian Federation. Although there are tensions with the Western countries because of the Ukrainian case, the existence of sanctions and counter-sanctions, the situation provides an opportunity to develop economy, diversify and modify it, improving the economic conditions in the country.

Among the disadvantages is the fact that the trade turnover and economic interaction between Russia and the EU decreased. The EU was influenced in the sense that many companies were not able to sell agricultural products to Russia. Russia was affected in the way that there is a lack of technologies and the activity in energy sphere was reduced. The decrease of the economic activity between two actors could be illustrated with the example of Norway. In the second quarter of 2015, the Russian-Norwegian foreign trade turnover amounted to 474,2 million dollars of U.S., which is 36 % less compared to the same period in 2014. The Russian exports to Norway in April-June 2015 decreased by 5,1 % compared to the period of April-June 2014. The Russian imports

²⁴⁵ The aim – restore relations of the EU with Russia. / Gazeta.ru. 2014. [Electronic source] URL: https://www.gazeta.ru/politics/2014/07/01 a 6093753.shtml (date of access: 22.04.2017).

from Norway in the same period declined by 81,8 %²⁴⁶. In the first quarter of 2016, the Russian-Norwegian foreign trade turnover amounted to 323,1 million dollars of U.S., which is 7,8 % less compared to the same period of previous year. The decline in trade occurred mainly due to the almost complete exclusion of Norwegian fish and seafood from it, which, prior to Russia's introduction of response measures to sanctions against Russia, was the main item of Russian imports from Norway, as well as a reduction in supplies from Russia to Norway of primary aluminum by 67,5 %, which in 2014 was the main item of Russian exports to Norway²⁴⁷. Thus, it can be seen that sanctions and counter-sanctions have affected the Russian-Norwegian economic relations, there has been a decline in trade turnover and exports. Salmon supplies from Norway to Russia were affected because of the subsequent embargo. Norwegian salmon producers are considering the possibility of sending to Russia the products they produce in Chile in order to bypass the embargo imposed by Moscow. The Republic of Chile is the world's second largest producer of salmon after Norway. The increased demand for products of Chilean fish farms can lead to the higher prices²⁴⁸. Norwegian producers also have found ways to export fish to Russia in the circumstances of embargo. Salmon and trout go to Belarus and the Baltic countries, after processing they receive a new customs code, which allows them to transport products to Russia²⁴⁹.

According to the report of the Austrian Institute of Economic Research (WIFO), the EU's sanctions against Russia and the Russian counter-sanctions have harmed the economy of 27 European countries (excluding Croatia) in the amount of $\in 17,6$ billion and 400 thousand jobs. Significant economic losses suffered Germany, that is 97 thousand jobs and more than $\in 6$ billion²⁵⁰.

On the Italian side there is an initiative that has an objective to develop and enhance the economic cooperation between Russia and Italy. The Italian Embassy in Russia, in order to stimulate investments, has prepared a special publication for the Italian enterprises that contains information about the Russian regions interested in investments and dynamically developing²⁵¹.

There are different approaches among the European countries towards the existence of the sanctions against Russia and their future. While Britain, the Baltic republics and Poland argue that sanctions remain a

http://www.ved.gov.ru/files/images/TP Norway/Stat vnesh torg Norway RF 2kv 2015.pdf (date of access: 22.04.2017).

²⁴⁶ Statistics of the foreign trade of Norway with the Russian Federation for the 2nd quarter of 2015. / Ministry of Economic Development of the Russian Federation. [Electronic source] URL:

²⁴⁷ Statistics of the foreign trade of Norway with the Russian Federation for the 2nd quarter of 2016. [Electronic source] URL: http://www.ved.gov.ru/exportcountries/no/no_ru_relations/no_ru_trade/ (date of access: 22.04.2017).

²⁴⁸ Norway found a way to circumvent the Russian embargo on salmon supplies. / Interfax. 2014. [Electronic source] URL: http://www.interfax.ru/world/390840 (date of access: 22.04.2017).

²⁴⁹ Norway has tripled salmon exports to Belarus. / Interfax. 2014. [Electronic source] URL: http://www.interfax.ru/business/397172 (date of access: 22.04.2017).

²⁵⁰ Sanctions against Russia cost the EU 17,6 billion euros and 400 thousand jobs. / Interfax. 2017. [Electronic source] URL: http://www.interfax.ru/business/544179 (date of access: 22.04.2017).

²⁵¹ Ambassador of Italy to the Russian Federation: we continue to believe in the Russian market. / RIA.RU. 2016. [Electronic source] URL: https://ria.ru/interview/20160217/1375967270.html (date of access: 22.04.2017).

necessary response to what they see as an expansionist Russia, Hungary, Italy and Greece stress its importance as a trade partner, a supplier of energy and a major player in attempts to end war in Syria²⁵².

Rome and Moscow have a relatively strong and deep-rooted partnership that is likely to stand the test of time. This partnership works on the basis that neither Russia nor Italy interferes in the domestic affairs of the other, and they recognize their respective spheres of influence. Both Russia and Italy are clearly suffering direct losses from the sanctions. Italian exports to Russia fell from €10 billion (\$10,5 billion) in 2013 to €8,8 billion in 2014. But with Italy is the EU member state, it has to follow the policy of the EU. It cannot be stated that Italy, as a country, is against sanctions as in the EU it voted to impose sanctions. But it stands in favor of implementing the Minsk agreements and for an indispensable dialogue with Russia. This point of view is supported by the President of the Italian Republic, Sergio Mattarella²⁵³, the Prime Minister Paolo Gentiloni²⁵⁴, the Foreign Minister Angelino Alfano²⁵⁵, and the High Representative of the European Union for Foreign Affairs and Security Policy and Vice-President of the European Commission Federica Mogherini²⁵⁶.

There is a kind of dissatisfaction with sanctions in some European countries, such as Italy, for example. It could be shown by the fact that the local assembly of the Veneto region recently became the first to pass a resolution against sanctions on Russia, saying that Russian counter-sanctions are badly damaging the Venetian economy. This vote is not legally binding, but other regions could stage their own votes on the issue, putting more pressure on the government²⁵⁷. Moreover, the Italian regions Lombardy, Tuscany and Liguria had approved the resolutions against sanctions. In addition, all the listed regions, except for Tuscany, recognized Crimea as a part of the Russian Federation. The «Lega Nord» (North League) party is one of the supporters of resolutions²⁵⁸.

Italian exports to the Russian Federation have changed from €10,7 billion in 2013 to €7,1 billion in 2015 (the dynamics shows a decrease for 34 %). The regions Lombardy (-€1,18 billion), Emilia Romagna (-€771 million) and Veneto (-€688,2 million) suffered the biggest economic losses from the sanctions. More than 72 % of the total decline in exports to Russia affected these three territories²⁵⁹.

According to Sergio Divina, the representative of the «Lega Nord» (North League) party, Italy suffered losses from sanctions and had already lost from €3,6 to €4 billion. The Russian President Vladimir Putin said

²⁵² Italy, Hungary say no automatic renewal of Russia sanctions. / Reuters. 2016. [Electronic source] URL: http://www.reuters.com/article/us-ukraine-crisis-eu-idUSKCN0WG1AU (date of access: 20.02.2017).

²⁵³ The walls still cannot stand. / RG.RU. 2015. [Electronic source] URL: https://rg.ru/2015/10/09/interviyu.html (date of access: 20.02.2017).

²⁵⁴ Gentiloni: the resolution of crisis in Ukraine can be only political. / RIA.RU. 2015. [Electronic source] URL: https://ria.ru/interview/20150531/1067392073.html (date of access: 20.02.2017).

²⁵⁵ Angelino Alfano: We firmly believe in a dialogue with Russia. / TASS. 2017. [Electronic source] URL: http://tass.ru/opinions/interviews/4127509 9date of access: 20.02.2017).

²⁵⁶ Mogherini: dialogue with Russia, despite sanctions, in the interests of the EU and Ukraine. / RIA.RU. 2015. [Electronic source] URL: https://ria.ru/world/20150508/1063431368.html (date of access: 20.02.2017).

²⁵⁷ Recognize Crimea as Russian, lift harmful sanctions: Italy's Veneto passes defiant resolution. / Russia Today. 2016. [Electronic source] URL: https://www.rt.com/news/343586-veneto-resolution-crimea-sanctions/ (date of access: 20.02.2017).

²⁵⁸ Italy's Tuscany Regional Council passes resolution against anti-Russian sanctions. / TASS. 2016. [Electronic source] URL: http://tass.com/world/886645 (date of access: 20.02.2017).

²⁵⁹ Sanctions and embargo, Russia has costed to Italy 3,6 Billion. / La Repubblica. 2016. [Electronic source] URL: http://www.repubblica.it/economia/2016/03/26/news/export russia sanzioni embargo-136323510/ (date of access: 20.02.2017).

that the trade turnover between Russia and Italy in recent years fell by 2,5 times. According to the Russian Prime Minister Dmitry Medvedev, the mutual trade between the countries fell from \$54 billion to \$20 billion²⁶⁰. The sanctions and counter-sanctions affected also the Russian Federation, but it is hard to estimate the extent of this influence, because other factors, such as depreciation of ruble due to the fall of prices of oil, on which the Russian economy is dependent, lack of high technologies, brain drain, contributed to the existing economic crisis in Russia. The economic crisis led to the increase of prices, high inflation, social discontent. The UN Special Rapporteur on Human Rights, Idris Jazairi, dealing with the negative impact of unilateral coercive measures, stated that the losses of the Western countries as a result of sanctions against Russia amounted to \$100 billion over three years. The total amount of Russia's losses, Jeziari estimates, at the same time, at \$52-55 billion, or about 1 % of the GDP²⁶¹.

After the sanctions also the conditions for banks in Russia worsened. There are significant limitations in receiving capital in the western markets for key state-owned banks. As a result, smaller credit institutions suffer, which lend from state-owned banks. Banks could get the missing funds through deposits of their clients, however, the growth in their number has slowed due to the weakening of the ruble and reducing of the rate of the income growth. The Russian Central Bank has tightened the requirements for banks, which makes the whole market is more stable.

At the same time, due to the fact that for the banks are closed markets of foreign funding, they have to compensate the lack of resources by attracting resources of the population. This leads to an increase in interest rates on deposits, which is a positive thing for consumers.

The sanctions influenced Russia in the way that it experienced the decrease of exports and, as a result, the decrease of the revenues to the federal budget. Therefore, to cover the budget deficit the money from the Reserve Fund and the Russian National Welfare Fund were used. Introduction of sanctions by the West has led to the situation where Russia has to repay the foreign debt without refinancing, what means that it cannot take a loan in Europe. The situation led to the deficit of the foreign currency and Russia had to use money from the Reserve Fund. According to the Ministry of Finance on 1st of July 2016, the Reserve Fund had assets amounted to 2,46 trillion rubles. In the National Welfare Fund were 4,68 trillion rubles. At the corresponding level of the budget deficit (2,36 trillion rubles), funds were supposed to be useful for three years²⁶².

The sanctions also indirectly impacted the tourist flow from Russia to Europe. It decreased by 30 % in 2015 compared with 2014²⁶³. This was mainly due to the depreciation of the ruble, but it is an indirect effect of strained relations between Russia and the West, and the presence of conflict between them. The Russians

²⁶⁰ Losses of Italy from the anti-Russian sanctions were evaluated at €4 Mlrd. / Izvestia. 2017. [Electronic source] URL: http://izvestia.ru/news/688685 (date of access: 22.04.2017).

²⁶¹ UN: Russia lost half of the cost of sanctions because of sanctions. / Izvestia. 2017. [Electronic source] URL: http://izvestia.ru/news/695711 (date of access: 22.04.2017).

²⁶² There is nothing in funds . / LENTA.RU. 2016. [Electronic source] URL: https://lenta.ru/articles/2016/07/11/budget/ (date of access: 20.02.2017).

²⁶³ Europe lost the Russian tourists. / Gazeta.ru. 2015. [Electronic source] URL: https://www.gazeta.ru/business/2015/05/12/6683693.shtml (date of access: 20.02.2017).

because of the appreciated foreign currencies preferred to spend their vacations at the resorts of Russia, such as Sochi and Crimea.

One of the negative aspects of the impact of sanctions and counter-sanctions is the fact that diplomatic and political relations and initiatives between Russia and the EU have been interrupted or frozen. Accordingly, this includes issues of facilitating the visa regime and discussing of the visa-free regime. The President of the Czech Republic, Milos Zeman, expressed regret that the aggravation of the situation in Ukraine led to a delay in the implementation of the plans for the transition to a visa-free regime between Russia and the EU. He expressed the conviction that negotiations on this issue will continue²⁶⁴. Moreover, Russia was excluded from the G8 in connection with the Ukrainian events. The summit in Sochi of this political forum, scheduled for 2014, was canceled. The Russian Foreign Minister, Sergei Lavrov, noted that Russia is not taking any steps to return to the G8 and will not take²⁶⁵. The members of the European Union, additionally, took a decision to suspend holding regular bilateral summits. Bilateral negotiations between the Russian Federation and the European Union on the guestions about visas and on the issue of the development of the New Agreement between two actors were stopped. In regard to Italy, some mechanisms of interaction at the political level were suspended, as following: the Large Russian-Italian Interparliamentary Commission and the meetings of the foreign and defense ministers in the «two plus two» format. The next confirmation of the political isolation of Russia is the fact that on 9th of May 2017, only one world leader came to the Victory Parade to Russia. It was the Moldovan President Igor Dodon, who is aimed at the rapprochement with Russia. The Soviet Union made a decisive contribution to the victory over fascism in the Second World War and the Victory Day in Russia is a special Day, which is celebrated in order to pay tribute to the veterans, the heroes of the War, all who made contribution to Victory over fascism and nazism. In 2015, during the celebration of the 70th anniversary of the Victory, the leaders of the countries of Europe and the U.S. did not come to the parade in Russia due to the cooling of relations after the events in Ukraine and the imposition of the sanctions. The most representative was the celebration of the 60th anniversary of the Victory, when the leaders of all major world powers arrived in Moscow. Among them, the honorary position was taken by the leaders of the allies such as the U.S. President George W. Bush and the French President Jacques Chirac, Britain was represented by the Deputy Prime Minister John Prescott. Also among the guests of the parade were the German Chancellor Gerhard Schroeder, the Prime Minister of Japan Junichiro Koizumi, the Prime Minister of Italy Silvio Berlusconi and the leader of China Hu Jintao²⁶⁶. It should be noted that in 2017 the action «Immortal Regiment», which represents the cortege on the Victory Day, where the participants march through the streets of the city with photos of their relatives who participated in the Great Patriotic War, was held also in Italy. In 2017, only official processions, which received the support and approval

²⁶⁴ President of the Czech Republic: sanctions against Russia are counterproductive and increase tension. / TASS. 2015. [Electronic source] URL: http://tass.ru/mezhdunarodnaya-panorama/1947123 (date of access: 22.04.2017).

²⁶⁵ Lavrov: Russia will not take steps to return to G8. / RIA.RU. 2016. [Electronic source] URL: https://ria.ru/politics/20160615/1447973203.html (date of access: 22.04.2017).

²⁶⁶ Authorities on the parade. / Gazeta.ru. 2017. [Electronic source] URL: https://www.gazeta.ru/politics/2017/05/09 a 10665869.shtml (date of access: 09.05.2017).

of the authorities, were held in 60 countries around the world²⁶⁷. In Italy, three actions were held in Rome, the action, as well as the action was held in Naples. The memorial commemorations for the Victory Day were also planned in Milan, Turin, Venice and Bolzano, and in the city of Palestrina in the Lazio region traditionally flowers will be laid on the graves of three Soviet soldiers who fled the concentration camp and together with the Italian partisans fought against fascism²⁶⁸.

Another drawback is that there is observed the decrease of confidence and trust between Russia and the Western countries involved in the policy of sanctions.

The European Union in the long term might benefit from the Ukraine's joining of the EU from the economic point of view because of the consumption of cheap agricultural products and construction of companies on its territory. Russia and Ukraine has strong cultural and historical ties, and Russia does not want to lose a certain control over this territory, sees the actions of Western players as threatening to its national interests. The USA once again wants to strengthen the role of the international arbiter and a country, which promotes democracy.

The United States urged the European countries to resort to the method of isolation of the Russian Federation. However, Europe was not ready to agree with the U.S. on the issue of sanctions against Russia immediately, because, in the case of imposing of sanctions, it would have to interrupt or reduce the flow of gas imported from Russia and to switch for the purchase of gas from the United States, for instance. It threatens the countries of Europe in the way that it could increase the dependence on the United States, which could affect the actions of the countries in the future with higher pressure and control by the U.S. government. In addition, there are wide trade relations between Europe and Russia, to break which also seems to be the unfavorable action.

In early 2015 the U.S. National Security Strategy was adopted²⁶⁹. The document says that the United States will apply the unilateral use of force in case of the threat to the citizens of the United States or countries' allies, to modernize the forces of NATO, to provide the necessary equipment to partner countries to combat terrorism, to assist Europe to diversify energy imports. The Russian aggression in the Strategy represented as one of the U.S. national security challenges on a par with terrorism, cyber-crime and climate change.

Ukrainian crisis is not fully ended, and it is difficult to predict the results for the parties of the conflict and for the world in general. It is possible only to suggest that concerning the events in Ukraine the relations between Russia and the United States significantly deteriorated. After the «Cold War» it was not easy to begin a constructive dialogue between the United States and the heir to the Soviet Union. The attempts have been made, and in 2012, the tension between the two countries gradually decreased. Although, some American politicians openly opposed the U.S. state structure to Russia's, strongly criticizing the Russian system. For example, the

²⁶⁷ Immortal Regiment united the whole world. / Vesti.ru. 2017. [Electronic source] URL: https://www.vesti.ru/doc.html?id=2886001 (date of access: 09.05.2017).

²⁶⁸ In Rome three actions of «Immortal Regiment» were held at once. / RIA.RU. 2017. [Electronic source] URL: https://ria.ru/world/20170507/1493852002.html (date of access: 09.05.2017).

²⁶⁹ The 2015 National Security Strategy. P. 29. [Electronic source] URL: https://obamawhitehouse.archives.gov/the-press-office/2015/02/06/fact-sheet-2015-national-security-strategy (date of access: 20.02.2017).

former U.S. ambassador to Russia, Michael McFaul, speaks dramatically of Vladimir Putin and his policies, claims that the Russian regime is autocratic²⁷⁰.

The information war is going in both sides using the television, newspapers and Internet as instruments. According to Oleg Nikolayevich Barabanov, one of the consequences of the Ukrainian crisis of 2013-2014 and the escalating information confrontation was the appearance in the Russian Internet of a large number of different political caricatures. The most important theme of these caricatures was the protest of the Russian society against the direct intervention of the USA in the Ukrainian events, they also expressed the view that America is waging wars all over the world and only Russia has rebuked it. The image of the United States in the Russian public opinion, in virtue of such images, has acquired a negative and grotesque character²⁷¹.

In spite of that, the Western countries and Russia are not only trying to criticize and denigrate the opponent but also are using the tools of the «soft power», public diplomacy to reach other targets. These tools are employed in order to promote their values, influence other countries in cultural way, develop the knowledge of history, traditions, culture of their country, provide the dialogue between countries. The countries not only seem each other as contenders, they also try to approach by applying the «soft power» mechanisms. In the Russian Federation, with respect to «soft power», was formed an approach, according to which it is regarded as an instrument of the state's foreign policy, and not the result of the activities of the civil society. The leadership of Russia and the Ministry of Foreign Affairs have repeatedly noted that in the relations between Russia and the West there is a lack of trust. Trust could help increase the attractiveness of a particular country, and therefore it is possible to examine trust as a component of «soft power». In this case, to increase confidence, the Ministry of Foreign Affairs can conduct explanatory work in the form of analytical materials on foreign policy of Russia with the presense of the fact that distrust arises from the lack of understanding by the West of the logic of the actions of the Russian Federation, its commitment to the belief that the predictability exists in the case of a democratic form of government and transparency of political processes²⁷².

There is Rossotrudnichestvo, which promotes bilateral initiatives fulfilled with the activity of Russian centers of science and culture abroad. The so-called «crossed years of culture» are being organized with the objective to advance the Russian culture and language in various countries. In the sphere of cultural interaction the activity is performed by different actors of governmental and non-governmental character of the public diplomacy, to which belong the Russian Affairs Council and the Gorchakov Public Diplomacy Endowment. The tool of overcoming of lack of trust could be the Parliamentary Cooperation Committee comprised of members of the Federal Assembly of the Russian Federation and the European Parliament. The perception of the Russians and Russia in Europe is constructed under the conditions of the knowledge of Europeans of the Russian history,

²⁷⁰ McFaul M. Confronting Putin's Russia. / The New York Times. 2014. [Electronic source] URL: https://www.nytimes.com/2014/03/24/opinion/confronting-putins-russia.html? r=0 (date of access: 20.02.2017).

²⁷¹ Barabanov O. N. After Crimea: a visual grotesque of Russian social media. / Russia in Global Affairs. 2014. [Electronic source] URL: http://www.globalaffairs.ru/ukraine_crysis/Posle-Kryma-vizualnyi-grotesk-rossiiskikh-sotcialnykh-media-16683 (date of access: 22.04.2017).

²⁷² Nikitina Yu. A. Russian approach to the «soft power» promotion: conceptual approaches in foreign policy. // Vestnik MGIMO. -2014. -№ 2. -Pp.31, 33.

culture, traditions, contemporary situation in the country. The interesting issue is that the anti-Russian sentiment, caused by accusations of involvement of Russia in the conflict in Ukraine, practically did not have effect on Italy²⁷³. It should be noted, that the Europeans seem to know a little about Russia and its citizens. The instrument of promoting the knowledge about Russia in the European countries could be the educational exchange, the presence of the Russian scientists and experts in Europe and developing of their activity there. In addition, in 2006, at MGIMO was founded the European Studies Institute, which aim is to help to promote the interaction and development of ties between the Russian Federation and the European Union, and it is intended also to overcome the dissimilarity and misunderstanding due to cultural gap²⁷⁴.

The events in Ukraine influenced not only the relations between Russia and the West, embodied in the EU and the USA, but also between Russia and Ukraine. And if in the situation with the EU Russia has more differences in history, culture and traditions than similarities, in the case of Ukraine, two states have more similarities than differences. They share common history and traditions, the languages have something in common, they were parts of the one state in the times of the Russian empire and the Soviet Union, which were not so long ago.

Which is why today's strained relations between the two brotherly peoples and countries close to each other carries a lot of risks. Firstly, Russia is afraid of possibility of Ukraine's joining of NATO, as it happened with Georgia, sees the expansion of NATO to its borders as a hostile action. In addition, the situation in the Donbass is a problem, because there are a lot of Russians and the hostilities have not ceased. Minsk agreements are violated, it is difficult to say, how to defuse the situation. Moreover, some of the Post-Soviet countries are oriented on the West, in what Russia sees the entrance into its sphere of influence.

The sanctions and countermeasures encouraged the appearance of processes, which could bring positive results both for the EU and the Russian Federation. One of these processes in Russia is the import substitution started in consequence of the embargo imposed by Russia on food products from the EU, USA and several other actors involved in the policy of sanctions.

The import substitution process does not yet indicated significant success, which is due to the fact that Russia has not yet been possible to build links between the producers of raw materials, components, final goods, as well as retail in the way that domestic products could compete with foreign products not only on the external, but also on the domestic market. Nevertheless, the process is underway. The main success of 2016 can be called a significantly increased volume of agricultural exports, in particular, wheat. In 2016, Russia became the largest exporter of grain in the world, selling more than 34 million tons. Total grain production in Russia broke the record, reaching 119 million tons. This is surprising and is showing a great progress, because only 15 years ago Russia exclusively imported grain and not exported it. Russia completely replaced imported pork and chicken with domestic products. Additionally, it has become one of the leading producers of sugar beet, and the

²⁷³ Arbatova N. K. Russian-Italian Relations in the context of foreign policy of Italy. // Italy at the beginning of the 21st century / A. V. Avilova, Yu. D. Kvashnin, eds. – M., IMEMO, 2015. – P. 126.

²⁷⁴ Zonova T. V. Cultural diplomacy as a «Soft Power» tool in the EU-Russia relations. / Rivista di Studi Politici Internazionali. Nuova Serie. – Vol. 80. – 2013. – № 3. – Pp. 361-365. [Electronic source] URL: https://www.jstor.org/stable/42741686?seq=1#page_scan_tab_contents (date of access: 22.04.2017).

production of greenhouse vegetables has grown by 30 % compared to 2015. Although agriculture still remains behind the oil and gas sector, it surpassed arms sales and became the second largest export sector of Russia²⁷⁵. In addition, sales of end products such as food products, products of the machine-building complex to the markets of the countries of the Asia-Pacific region intensified.

The import structure to Russia has been changed. There is a decrease in the import of cars and food under the influence of sanctions, but the import of machinery and equipment is largely preserved. In the import of food, Russia has reoriented to the new countries-suppliers. Part of the import of food products is replaced by the growth of the Russian own production, although in agriculture this process takes considerable time. At the same time, paradoxically, the success of the development of a number of branches of the agrarian sphere depends to a large extent on the preservation of sanctions and, accordingly, counter-sanctions²⁷⁶.

The process of import substitution gave opportunity to the Russian farmers to sell their products to the consumers with the removing of competition with the Western producers, on which productions was imposed the Russian embargo as counter-measures to the Western sanctions. The Russian government supported them with the increasing of subsidies to farmers.

Another advantage for Russia, the EU and particular countries of the EU is that the conflict and regime of sanctions and counter-sanctions provide the potential to find other partners in the sphere of energy, which could reinforce the energy security. Russia as a country rich in energy resources is a supplier of Europe given the fact that it needs raw materials. However, high dependence is risky, because if the relations are cooling as in the case of Russia, the supply of energy resources could be delayed or cancelled also with the fact that there are sectoral sanctions imposed on the Russian energy companies. The issue of trust could be considered in the sense that the Third Energy Package was adopted in 2009 by the EU before the sanctions and include provisions against Gazprom such as that the company must provide access to its pipeline to third parties, that is, to other suppliers who express a desire to supply gas to Europe.

Europe in general and its member states in particular import a lot of the Russian energy resources. According to Eurostat, in 2015 the share of imports from Russia of the energy products of some countries of the European Union are for 75-100 %. 75-100 % of gas came from Russia to Czech Republic, Latvia, Austria, Romania, and Slovenia. 75-100 % of both oil and gas came from Russia to Bulgaria, Estonia, Lithuania, Hungary, Poland, Slovakia, and Finland (Appendix N_2 7)²⁷⁷.

In the short term, it is difficult to end the mutual dependence of partners in the energy relations. However, in the medium term, the EU could develop relations with the countries of the Middle East and North Africa, work on the Southern Gas Corridor with Azerbaijan, Kazakhstan, and Turkmenistan, the initiative of the

²⁷⁵ Russian agriculture has flourished on the background of sanctions. / Inosmi.ru. 2017. [Electronic source] URL: http://inosmi.ru/politic/20170419/239175781.html (date of access: 05.05.2017).

²⁷⁶ Foreign trade: change in structure and dynamics. Bulletin of the social and economic crisis in Russia. / Analytical Center under the Government of the Russian Federation. – 2016. – P. 3.

²⁷⁷ Share (%) of Russia in extra-EU28 imports of individual member states, 2015, trade in value. / Eurostat. [Electronic source] URL: http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Share (%25) of Russia in extra-EU28 imports of individual Member States, 2015, trade in value.png (date of access: 11.02.2017).

European Commission to import oil and gas from the Caspian Sea, import Liquefied Natural Gas (LNG) from the USA, Australia and East Africa²⁷⁸.

Russia is interested in developing relations with its Eastern partners, such as China. «Power of Siberia» is a gas pipeline to supply gas from Yakutia to the Primorskiy Krai and the Asia-Pacific region. It is a project of Russia and China under construction.

In addition, Russia and Japan have confirmed mutual interest in the gas pipeline project called «Sakhalin-Hokkaido». The project involves the laying of the ground part of the gas pipeline from Sakhalin to the port of Wakkanai on the northern Japanese island of Hokkaido, and then its extension to the Tokyo Bay²⁷⁹.

Nevertheless, the European Union and Russia have not stopped the cooperation in the energy sector during the period of sanctions. For example, it could be illustrated in the construction of the «Nord Stream -2» - a new export gas pipeline from Russia to Europe via the Baltic Sea. It is expected that the pipeline will be built by 2019^{280} .

Furthermore, the export of energy resources from Russia decreased also because of the Ukrainian crisis, sanctions and the fall of oil price, which was seen in the beginning, in 2014. According to the Ministry of Energy of the Russian Federation, in December of 2014 compared with December of 2013 exports of oil decreased by 22,8 % in physical terms, exports of natural gas – by 19,8 %, exports of coal – by 4,1 %²⁸¹. In 2015 exports of energy resources increased slightly. There was an increase in physical volumes of supplies of basic energy products, including crude oil – by 8,9 %, natural gas – by 6,4 %²⁸². In 2016 there was a decrease of exports of the energy resources by 29,9 %²⁸³.

The Energy Strategy of the Russian Federation until 2035 notes that the priority is the qualitative renewal (modernization) of the country's energy sector. The Strategy also says about the need to move towards the resource-innovative development of the fuel and energy complex, which provides the creation of conditions for

²⁷⁸ Europe's alternatives to Russian gas. / European Council on Foreign Relations. 2015. [Electronic source] URL: http://www.ecfr.eu/article/commentary europes alternatives to russian gas311666 (date of access: 11.02.2017).

²⁷⁹ RF and Japan confirmed interest in the gas pipeline project «Sakhalin-Hokkaido». / Interfax. 2016. [Electronic source] URL: http://www.interfax.ru/business/541651 (date of access: 20.02.2017).

²⁸⁰ «Nord Stream – 2». / Gazprom. [Electronic source] URL:

http://www.gazprom.ru/about/production/projects/pipelines/built/nord-stream2/ (date of access: 20.02.2017).

Monitoring «On the results of the socio-economic development of the Russian Federation in 2014». / Ministry of Economic Development of the Russian Federation. – 2015. – P. 11. [Electronic source] URL: http://economy.gov.ru/wps/wcm/connect/97fcd9bd-03b8-4c66-a02f-

¹¹⁷d69e48429/Итоги 2014.pdf?MOD=AJPERES&CACHEID=97fcd9bd-03b8-4c66-a02f-117d69e48429 (date of access: 20.02.2017).

 $^{^{282}\}mbox{Monitoring}$ «On the results of the socio-economic development of the Russian Federation in 2015». / Ministry of Economic Development of the Russian Federation. – 2016. – P. 158. [Electronic source] URL:

 $[\]frac{\text{http://economy.gov.ru/wps/wcm/connect/bfeda678-29cd-44ae-b07b-}{\text{d3c6d7200d32/Итоги}_2015.pdf?MOD=AJPERES&CACHEID=bfeda678-29cd-44ae-b07b-d3c6d7200d32} \text{ (date of access: } 20.02.2017).}$

Monitoring «On current situation in economy of the Russian Federation in January-October 2016». / Ministry of Economic Development of the Russian Federation. -2016. -P. 79. P. 117. [Electronic source] URL:

http://economy.gov.ru/wps/wcm/connect/805a4a24-197c-4e72-89ef-529075e25741/monitoring macro 1-

^{10.}pdf?MOD=AJPERES&CACHEID=805a4a24-197c-4e72-89ef-529075e25741 (date of access: 20.02.2017).

the development of the Russian economy, including its diversification, technological growth, and minimization of infrastructure restrictions²⁸⁴.

Next advantage is that Russia could diversificate its economy, become more independent from Europe. The Russian economy is highly dependent on the selling of oil and gas. Russia, in addition, exports more crude oil than recycled, since the construction of an oil refinery is expensive, and also because of the complexity of transportation of released products, since, for example, the mixing of different types of fuel is not possible, respectively, the export through pipelines could not be done. However, this issue could be resolved. It is possible, for example, to build an oil refinery in the border area. Another option, that Lukoil uses, is to buy an oil refinery in the consumer country, export crude oil there and process it. Anyway, the work is under operation in this direction. Not only the sanctions influenced the Russian economy badly but also the depreciation of ruble, falling of the price on oil. The economic crisis with high inflation, the rise of social discontent are the consequences of the mentioned factors. Such a big country is only selling oil and gas, which it has and does not modernize the economy, does not invest in innovations, scientific researches. Russia buys the high technology abroad instead of producing them itself. The problem of brain drain also arises. The government should take it under control and change the direction of the economic development in the country, which has a great potential but does not use it. The Deputy Prime Minister of the Russian Federation Arkady Vladimirovich Dvorkovich noted that Russia is making progress in diversifying its economy, particularly in the production of cars, medicines and chemicals, but it will take some time to achieve more significant results²⁸⁵. The Prime Minister of the Russian Federation Dmitry Anatolyevich Medvedev stated that in the situation of sanctions there are certain advantages, such as the aspect that for the first time in 15 years Russia could, engage in normal economic diversification, and create a normal economic structure without paying attention to trends in oil indicators²⁸⁶. The President of the Russian Federation Vladimir Vladimirovich Putin noted that the sanctions as restrictions in the economy could be regarded as incentive for Russia to diversify its economy²⁸⁷.

Another aspect is the process of modernization, which is significant, especially in the situation of Russia, which changed the economic system from planned to market after the collapse of the USSR and has to modernize its economy and develop innovations. During the presidential term of the President of the Russian Federation Dmitry Anatolyevich Medvedev the aim of modernization was proclaimed. Scientific and technological center of Skolkovo was opened. Nevertheless, no visible results and reorientation of the economy from the export of raw materials were observed. Between Russia and Italy joint projects are being carried out, whose long duration and technological content are markedly strategic and constitute a tangible sign of the willingness of Italy to contribute to the modernization of Russia. It could move from the cooperation mainly in

²⁸⁴ Draft energy Strategy of the Russian Federation for the period until 2035 / The Ministry of Energy of the Russian Federation. 2017. [Electronic source] URL: https://minenergo.gov.ru/node/1920 (date of access: 05.05.2017).

²⁸⁵ Dvorkovich: Russia needs time for successful economic diversification. / RIA.RU. 2015. [Electronic source] URL: https://ria.ru/economy/20150905/1231127703.html (date of access: 05.05.2017).

²⁸⁶ Medvedev urged to get used to cheap oil and sanctions. / LENTA.RU. 2016. [Electronic source] URL: https://lenta.ru/news/2016/08/02/medvedeconomy/ (date of access: 05.05.2017).

²⁸⁷ Breakthrough in defense industry. / RG.RU. 2014. [Electronic source] URL: https://rg.ru/2014/09/19/putin-site.html (date of access: 05.05.2017).

the energy sector in the direction of industrial cooperation. Russia also uses in practice the Italian experience of industrial districts with the help of Italy aimed at the development of small and medium-sized enterprises²⁸⁸. Additionally, Russia pays special attention to the Russian and European initiative, which is called the Partnership for Modernization. In particular, the Russian-Italian Working Group on the implementation of the Partnership for Modernization is carrying out various activities, the main tasks of which are to promote the exchange of experience in the field of innovation, identify cooperation activities in the field of modernization, and develop measures to eliminate possible obstacles in the implementation of projects. The scope of the Group has many areas, such as the field of computer technology and software, nuclear technology, energy efficiency and energy saving, aeronautics, pharmaceuticals, applied research. Moreover, the Group is working on the development of such innovative structures as technology parks, business parks, clusters, and others, and exploring opportunities to improve governance structures and local authorities²⁸⁹.

For the Russian citizens, the annexation of Crimea was mainly a positive event. The ratings of the President Putin increased and it united the country with the existence of the enemy embodied in the West. According to Friedrich Hayek, the Austrian economist and philosopher, people are easier come to an agreement on the basis of a negative program with the use of enemy than on the basis of a program that asserts positive tasks and values²⁹⁰. Levada-Center, the Russian non-governmental research organization, reports that, according to the opinion polls, the Putin's approval rating was 88 % in 2014. This happens because the Crimea's joining gave the feeling that Russia, for the first time after the collapse of the Soviet Union, has regained the status of a great power (in the spring of 2014, with this statement were ready to agree 80 %)²⁹¹. In this way, the situation in Ukraine and the sanctions helped Putin to raise the support in the Russian society for his policy.

The policy of sanctions affected Russia and the countries of the West in two ways, as a result, both advantages and disadvantages appeared. The drawbacks include the decrease in trade turnover between countries, while the countries of the European Union are important for Russia in economic terms, and Russia exports gas and oil to Europe, for some countries providing up to 100 % of importing energy resources from the countries outside the EU. In addition, the negative aspects are the reduction of political contacts, decrease of diplomatic interaction between countries, the decline of countries' trust in each other. Italy in this situation counterbalances some of the negative consequences with the initiatives and the willingness to cooperate. Nevertheless, it can be argued that sanctions and counter-sanctions affected the parties more positively than negatively. Thus, the EU member-countries and Russia could find new partners in the energy sector, thereby enhancing the energy security. In Russia, the process of import substitution began in connection with the food embargo imposed on the West. This process could make Russia more independent, and be able to provide itself

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²⁸⁸ Zonova T. V. Italy – Russia: less personalisms more pragmatism / Institute for International Political Studies. The Italian Elections World Views 21 February, 2013. [Electronic source] URL: http://www.ispionline.it/it/pubblicazione/italia-russia-meno-personalismi-piu-pragmatismo (date of access; 05.05.2017).

²⁸⁹ Zonova T. V. Russian-Italian relations: history and modernity. // Vestnik MGIMO. − 2012. - № 1. − P. 56.

 $^{^{290}}$ Havek F. A. fon. The road to serfdom. / Translated from English. M.: Novoe Izdatel'stvo, 2005. - P.~145.

²⁹¹ Putin's rating – reality or fiction of sociologists? / Levada-Center. 2015. [Electronic source] URL: http://www.levada.ru/2015/07/08/rejting-putina-realnost-ili-vymysel-sotsiologov-2/ (date of access: 20.02.2017).

with products. There are already successes in the field of agriculture, the export of grain from the Russian Federation has increased. The situation is also beneficial for farmers who are receiving subsidies and they can sell products for the consumers, as they were previously restricted this possibility because of the competitive advantages of the Western producers. In addition, the diversification of the economy, the break with the dependence on the sale of oil and gas under sanctions are increasingly visible and capable of realizing. There is a work on modernization, including within the framework of the Russian-Italian group on the implementation of the Partnership for Modernization, which is a Russian-European initiative.

4.3. The possible development of the situation

There are three options for possible development related to the Western sanctions, the new economic policy of the EU towards Russia and the response of the Russian Federation to the Western countries. The first option involves a worsening of the situation, an aggravation of the conflict. The second option comprises the positive dynamics, leading to the lifting of sanctions. The third option is related to the continuation of the situation that is observed, the stagnation, the existence of the sanctions, but also the presence of some interaction between the countries.

Let us consider the first option of the possible development of the situation. Deterioration of relations between Russia and Western countries could occur due to the adoption of any decisions or the emergence of any events that could aggravate relations between the countries. In this case, on the international scene could be formed a situation that resembles the situation during the Cold War. The 2nd Cold War could also lead to the division of the world contingently into two blocs – pro-Russian and pro-Western with the build-up of armaments and the threat of war. The bipolar system of international relations would again operate. This time, however, the EU and the U.S. seem to be able to act as equal allies, two centers of power with unidirectional interests. Nevertheless, it seems that the EU follows the American directions and supports its views on the policy of sanctions against Russia. Thus, the confrontation will be realized between the two blocs led by the United States and Russia. According to R. Aron, the bipolar system assumes a tendency to instability, since it is based on the mutual fear and the opposite of interests. From the point of view of K. Walz, the bipolar system is more stable than the multipolar system²⁹².

In the opinion of I. A. Istomin, it is not possible call the current situation in the international arena a new Cold War because in addition to disagreements over the Ukrainian and Syrian issues, there are not so many other points between Russia and the United States over which the interests of the countries overlap. In addition, the expert believes that both powers understand that the escalation of the conflict into armed actions could result

²⁹² Tsygankov P. A. Theory of international relations: textbook. – M.: Gardariki, 2003. – P. 187, 189.

in the use of the nuclear weapons, which would put the world in jeopardy. Thus, the version of the development of the conflict with the use of military methods seems to be unrealistic²⁹³.

In favor of this scenario, the situation in Syria can contribute. Russia is fighting against terrorist groups in Syria and supports the government of Bashar Assad. At the meetings of the UN Security Council, Russia and China several times vetoed draft resolutions threatening Syria with sanctions. In 2012, Syria held the first elections to the people's council (parliament) on a multi-party basis in accordance with the new constitution. The bloc «National Unity», which supports President Bashar Assad, won. Russia considers the government of B. Assad to be legitimate, supports it in actions to defuse the tension in the country, whereas the Western countries require a change of the government because of its undemocratic nature. This position is reminiscent of the theory of democratic transit, unilateral actions of the United States in other countries, suggesting that the Western countries in fact might have the interests such as the oil issue in Syria and in the possible influence in the region, and not the implementation of the democratic rights and freedoms there. In 2013, chemical weapons were used in Syria, after which the UN experts arrived. Then, Syria agreed to put its chemical weapons stock under control, joined the Convention on the Prohibition of Chemical Weapons, and the activity to destroy chemical weapons of Syria was conducted²⁹⁴. Since 2014, in connection with the proliferation of terrorist organizations in Syria, the military intervention by the United States and its allies began without the permission of the Syrian leadership. Since 2015, Russia, at the official request of the Syrian President, is conducting operations in the country. In April of 2017, there was a chemical attack in Syria, and it has not been determined yet exactly who committed it. However, Western countries have blamed the Syrian authorities. Russia and Syria adhere to the version that the Syrian army bombed the site of terrorists for the production of chemical weapons. The U.S. Navy then carried out a missile strike at the airbase of government troops in Syria. The press secretary of the Russian president Dmitry Peskov stated in this connection that the U.S. actions were committed in this case in the interests of terrorist groups. Vladimir Putin considers the American attacks on Syria to be an aggression against a sovereign state and a violation of international law²⁹⁵. The administration of Donald Trump with the conduction of the missile strike on the Syrian airbase changed dramatically the initial direction of the policy in this sphere. In the pre-election speeches the new president of America declared that he would actively fight terrorist groups and noted that he supported the creation of international coalition to combat this global threat. Nevertheless, the American policy has changed, and relations between Russia and America have worsened in connection with this. It seems that the chemical attack was only an excuse to make military intervention from the American side, as has already been done repeatedly in other countries. The aggravation of the situation in Syria might result in imposition of new sanctions on Russia. A new package of restrictive

²⁹³ Istomin I. A. There are contradictions, but the world is not on the threshold of war. / Portal of MGIMO. 2016. [Electronic source] URL: http://mgimo.ru/about/news/experts/voznikayut-protivorechiya-no-mir-ne-na-poroge-voyny/ (date of access: 05.05.2017).

²⁹⁴ Chronicle of confrontation in Syria. Dossier. / TASS. 2015. [Electronic source] URL: http://tass.ru/mezhdunarodnaya-panorama/669066 (date of access: 05.05.2017).

²⁹⁵ Peskov called the attack of the USA on the Shayrat airbase an act in the interests of terrorists. / LENTA.RU. 2017. [Electronic source] URL: https://lenta.ru/news/2017/04/07/peskov_judge/ (date of access: 05.05.2017).

measures might affect the energy sector. The issue of sanctions is discussed, in particular, by the Foreign Ministers of the G7. Additionally, the British Foreign Minister Boris Johnson demands that the Western countries should coordinate «extraordinary sanctions» in response to chemical attack in Syria. The U.S. Secretary of State Rex W. Tillerson supported the point of view of the political representitive of the UK and claimed that Russia should take the responsibility²⁹⁶. Thus, at the moment, as the conflict in Syria escalates, the UK persuades the Western countries to impose new sanctions on Russia under the condition that it will not stop supporting the Syrian President Assad. Nevertheless, it is unlikely that B. Johnson will be able to convince the EU because the UK decided to leave it. However, the UK could get the support of the United States of America. The German political expert Alexander Rar in 2016 believed that the sanctions would not be increased with the situation in Syria, because the actions of a country to defend its geopolitical interests should not be answered in this mode. He also noted that the German public opinion is mostly against the expansion of the sanctions against Russia and in the EU the willingness to restore relations with Russia is increasing²⁹⁷. With new sanctions against Russia at least of two actors – the UK and the USA, the relations between Russia and them will deteriorate, the state of conflict will not be eliminated. However, the sanctions both in the Ukrainian case and in the Syrian case could be considered as the individual sanctions in the sense that individual actors (countries, the EU) imposed sanctions on Russia and not the world community. The sanctions were not addressed by the UN as an international organization because Russia vetoed such resolutions in the Security Council. In the international arena the system of the international law is operating and it could be considered as the manifestation of the unilateral actions that the USA with its allies put sanctions against Russia without the consent of the world community.

In the situation of the worsening of the relations with the West it is logical that Russia would focus on the developing of cooperation with the East.

According to the mentioned theory of assymetric interdependence by Glenn Diesen, «The Greater Europe» project failed because relations with Europe were asymmetric and discriminating for Russia in connection with the domination of the West in these relations. Furthermore, the factor that contributed to the fall of the project was that the West supported the coup in Kiev, using the discontent of citizens of Ukraine with the level of the internal corruption in order to draw Ukraine into its sphere of influence. At the same time, attempts to weaken the Russian economy by sanctions did not extend to energy, since the West was aware of the symmetry in the energy interdependence between the consumer and the supplier. It should be noted as a contradiction that as part of the sanctions against Russia, the West also adopted sectoral sanctions against oil producers, in particular, a ban on debt financing of three energy companies (Rosneft, Transneft, Gazprom Neft). From this situation it is obvious that for Russia is more effective to develop partnership with the Asian states. In forming a partnership with China, which is already being implemented on the basis of the bilateral projects and

²⁹⁶ The UK insists on new sanctions against Putin. / Inosmi.ru. 2017. [Electronic source] URL: http://inosmi.ru/politic/20170410/239094229.html (date of access: 05.05.2017).

²⁹⁷ Is Germany planning to introduce further sanctions against Russia? / Russia Beyond the Headlines. 2016. [Electronic source] URL: https://www.rbth.com/business/2016/10/10/is-germany-planning-to-introduce-further-sanctions-against-russia_637573 (date of access: 05.05.2017).

relations, organizations such as BRICS, SCO, EEC, Russia should also avoid China's domination by creating partnerships without the asymmetric interdependence, which caused the failure of «The Greater Europe» project. The China's desire to dominate economically in the region and to carry out more activities has already been expressed within the BRICS framework, which Russia should not allow in its interests, so that relations do not take the asymmetrical character, which could reduce influence of Russia in the region²⁹⁸.

One of the aspects that can affect the positive development of the bilateral relations is the mentality of the Chinese people, their traditions, which could exert their influence in the sphere of politics. Thus, representatives of China are usually determined to strengthen relations, confidence in partners, rather than to achieve a specific goal as signing a treaty or agreement, which is often the main target of representatives of the West. This focus on the developing trustful and lasting relationships, the desire to find a partner to rely on, could contribute to the development of the Russian-Chinese relations without trying to surpass the country economically.

Russia is also developing economic relations with South Korea and Japan. At the Eastern Economic Forum, held in September 2016 in Vladivostok, several economic agreements were signed with South Korea. In addition, in 2016 an agreement was signed with Japan on joint economic development of the South Kuril Islands.

As part of the survey of Italians and Russians, most representatives of Russia and Italy believe that from the civilizational point of view, Russia could be called Eurasia. It is interesting that none of the representatives of Russia replied that it is Asia, and among the representatives of Italy there were two such persons (Appendix \mathbb{N}_2 1, Appendix \mathbb{N}_2 2, Appendix \mathbb{N}_2 3).

In the Eurasian space, a project of the Eurasian Union exists, which includes countries on the territory of the former Soviet Union. It supposed to be an economic and political union, as an analog of the European Union. The Eurasians also spoke about the Eurasian Union, suggesting that the Eurasian Union, based on Eurasianism, will replace the USSR, united by ideology. Nevertheless, the leaders of Belarus and Kazakhstan stated that they are aimed at economic integration and are not ready to loose national sovereignties. In this regard, at the moment the implementation of the project in reality is unlikely.

According to the survey, in relation to the evaluation of the prospects of the project of the Eurasian Union, the majority of respondents from Russia believe that the project is not capable of successfully developing in the future. The majority of respondents from Italy chose the answer «I do not know», perhaps because they have limited information on this project (Appendix \mathbb{N}_2 1, Appendix \mathbb{N}_2 2, Appendix \mathbb{N}_2 3).

Thus, the deterioration of the relations between Russia and the Western countries is possible, but it is unlikely that it will result in a war in the light of the nuclear threat, moreover, only two countries, the United States and the United Kingdom, might decide to impose sanctions in connection with the situation in Syria. Nevertheless, there was still no case in history for sanctions to be endless. However, some sanctions have not

²⁹⁸ Diesen G., Russia, China and the «balance of dependence» in Greater Eurasia. // Russia in Global Affairs. 2017. [Electronic source] URL: http://www.globalaffairs.ru/valday/Rossiya-Kitai-i-balans-zavisimosti-v-Bolshoi-Evrazii-18672#_ftn6 (date of access: 05.05.2017).

been canceled so far, and it is difficult to say how long they will last and when they will be lifted. Thus, the longest UN sanctions were imposed on Somalia in 1992 and they are functioning until the present (25 years). The longest U.S. sanctions were against Cuba and lasted 54 years and only in 2016 the diplomatic relations between the countries were restored.

The second option is the lifting of the sanctions, the normalization of the relations and the elimination of the conflict between Russia and the Western countries. Several factors could contribute to this direction of development of the relations. Accordingly, in the UK was held a referendum in 2016, at which the majority of citizens voted for the withdrawal of the country from the European Union. This could be seen as a demonstration of the crisis of the European integration, the growth of the Euroscepticism, the event that could lead to the collapse of the EU. According to the results of the conducted survey, most Russians and Italians believe that there is the unity within the European Union is absent, but the share of Russians who have this point of view is bigger (68 % compared to 52 %) (Appendix № 1, Appendix № 2, Appendix № 3). If there will be the collapse of the EU, the EU's sanctions against Russia would be lifted and the question of the desire of the countries themselves to impose sanctions would be under the consideration. Perhaps some countries that have a negative attitude towards Russia because of historical reasons, conducted indoctrination of the negative perception on the part of other states, such as Poland, the Baltic countries and others, will decide to impose sanctions against Russia, but it is likely that the number of these countries will be less than 28, since some countries will not impose sanctions, as citizens, business community might be against it and would put a pressure on the government. Moreover, countries could not want to incur further losses in the economic plan and worsen relations with Russia in various spheres, instead they could have a desire to develop cooperation with it.

One of the factors might also be the refusal to extend sanctions in the European Union due to the points of view of some countries. Countries could vote against the sanctions because of the opinion within a country. For example, in Italy, the cooling in relations between Russia and the EU and the subsequent anti-Russian sanctions met a protest from the party «North League», which in 2014 voted in the European Parliament against these sanctions. In addition, the party supports the principle of the right of peoples to self-determination, recognizes as legitimate the entry of Crimea into the Russian Federation and sees opportunities for establishing cooperation between the Italian north and the new constituent entity of the Russian Federation. It should be noted that the deputy of the «North League» P. Grimoldi at the national level initiated the creation of the parliamentary group «Friends of Putin»²⁹⁹. Thus, the party «North League» in connection with the development of relations with Russia could become a conductor of Russian interests in Italy and the EU. As for the Italian business community, there is also discontent with the policy of sanctions against Russia. Vice President for Europe of the General Confederation of Italian Industry «Confindustria» Lisa Ferrarini states that the Italian

²⁹⁹ Barabanov O. N., Shibkova M. O. Euroscepticism in Italy: evolution of Northern League political program. // Vestnik MGIMO-University. − 2015. − № 5. − Pp. 99-107.

industrialists are waiting the lifting of sanctions with impatience. However, she notes that European policy in this direction relies heavily on the United States³⁰⁰.

In addition, the removal of sanctions by at least some countries might be due to the policy of the new administration of the United States. For example, after a tense conversation between America and Australia about refugees, relations might deteriorate and Australia might want to lift sanctions again, as it has introduced them largely in order to support the U.S. and status of an ally.

The next scenario of the development of the situation is the preservation of the current situation, the continuation of the sanctions, but at the same time maintaining of individual contacts with Russia. In addition, some countries, understanding the negative effect of sanctions, would try to bypass them, as in the case of companies delivering salmon from Norway.

According to the survey in the issue of the lifting of sanctions, majority of the representatives of the countries agreed on the opinion that this will happen in 1-5 years (Appendix N_2 1, Appendix N_2 2, Appendix N_2 3).

Head of the Sberbank German Gref believes that sanctions against Russia will continue to operate for at least three more years³⁰¹.

It seems that the sanctions are likely to remain in place for some time. They could be lifted in 1-5 years if there will not arise any complicating moments in the relations between Russia and the West. The condition for the lifting of sanctions is the implementation of the Minsk agreements, however, the West observes that in this situation, the Ukrainian authorities are delaying the implementation of them because they might be satisfied that there are sanctions against Russia.

Thus, there are generally three possible scenarios for the development of situation and relations between Russia and the West in the face of imposed restrictive measures, such as worsening of the situation, improving of the situation and preserving it in the current state. It seems that the relationship for 1-5 years will remain approximately unchanged, taking into account the already existing sanctions for 3 years, and then the West will come to a decision to lift the sanctions, after which Russia can lift the embargo imposed on a number of actors.

³⁰¹ Gref predicted the continuation of the anti-Russian sanctions for at least three years. / RG.RU. 2017. [Electronic source] URL: https://rg.ru/2017/05/19/gref-predskazal-sohranenie-antirossijskih-sankcij-minimum-na-tri-goda.html (date of access: 20.05.2017).

³⁰⁰ Lisa Ferrarini: Italy lacks very much the Russian market. / RIA.RU. 2015. [Electronic source] URL: https://ria.ru/radio_brief/20150904/1229233538.html (date of access: 20.05.2017).

5. Conclusion

The sanctions policy can be applied to various participants of different levels of the international system (individuals, companies, institutions, countries, groups of countries) and pursue a number of specific goals in each case. The theme of the discussion among experts and theorists remains the question of the effectiveness of sanctions and their impact on the situation in the country, in relation to which the restrictive policy was introduced. Howbeit, as a result of the introduction of the sanctions regime, the country's influence in the international arena may decrease. An important factor is time, because over time it is possible to see the effect of the sanctions policy, in addition, time can help achieve the goal of the country-sender or adapting of the country-target to sanctions.

Sanctions against Russia, which were introduced in 2014, have their own reasons, including the desire to dominate and exert a decisive influence on the processes in the post-Soviet space. Actors that implement their activities with the specified goals in the region, including the United States, the EU and Russia, apply methods of spreading their ideology, values. Russia is taking a unique position in geographical and economic terms for the countries of the post-Soviet space and is indicating that its opinion in this area should be taken into consideration. The historical features of the development of relations between the countries, the change and the state of the alignment of forces, the different perceptions of participants about the necessary functioning of the international system, asymmetric interdependence are also among the factors that influenced the emergence of sanctions used against the Russian Federation.

In 2014, the Western countries imposed a number of restrictive measures against Russia due to the fact that the entry of Crimea into Russia they evaluated as illegal action violating the territorial integrity of Ukraine. Russia's position is that the conducted procedure of referendum is a democratic tool that allowed people to use the right to self-determination. Russia responded to the Western sanctions by imposing an embargo on food products. The points of view of the two sides are clearly defined and are unlikely to be changed. The sanctions policy influenced the relations between the countries, which resulted in the fall of confidence taking into account the fact that Russia and the EU, for example, are important trading partners.

Relations between the Russian Federation and the Italian Republic deserve special attention. They can be characterized as strategic, privileged and trustful. The countries have a long history of development of cooperation in various areas, including economic, military-technical, political, anti-terrorist, cultural and others. The large number of state and non-state organizations is operating, within the framework of which cooperation between Russia and Italy is developing. Moreover, joint projects are being implemented and various initiatives are coming from both partners. Italy is aimed at carrying out actions that contribute to the development of relations between Russia and the EU, Russia and NATO.

Political and diplomatic contacts between the representatives of Russia and Italy at the high level remain intense even in the period of tense relations between Russia and the EU in connection with sanctions.

Additionally, the anti-Russian sentiment prevailing in Europe practically did not affect the Italian Republic³⁰². However, the economic cooperation between the countries has decreased. According to the assessments, Italy in connection with the policy of sanctions suffered losses of approximately €4 billion³⁰³. In Italy, a number of regions (Veneto, Lombardy, Tuscany and Liguria) expressed dissatisfaction with sanctions³⁰⁴, this view was also supported by business representatives³⁰⁵, the «North League» party³⁰⁶, which could lead to pressure on the government and the subsequent lifting of sanctions against Russia.

It should be noted that, despite the fact that the EU unanimously imposed sanctions on Russia, the positions of individual countries differ. Some actively support this type of policy, insist on continuation or toughening of it (the UK, Baltic republics, Poland), others, on the contrary, speak about the lifting of sanctions, their negative influence (Slovakia, Czech Republic, Greece, Cyprus and others), another group of countries holds a neutral position.

At the moment, it seems that the European Union is more concerned about the state of unity within it, especially in connection with the exit of the UK, rather than about a concerted decision on any issue, including the extension of the sanctions. There seems to be no real discussion due to the unwillingness to put unity even more under attack, and, as a result, the quality of such decisions is low.

There is also a point of view that the EU was guided by the U.S. opinion while imposing the sanctions against Russia, which is also shared by the majority of the respondents from Russia and Italy (Appendix \mathbb{N}_2 1, Appendix \mathbb{N}_2 2, Appendix \mathbb{N}_2 3).

As for the United States, it is trying to maintain the role of the world arbitrator, once again interfering in the affairs of other states, is seeking to destabilize the situation on the territory of the former Soviet Union and to weaken the Russian influence. In the American policy, the role of an ideological factor is traced, including the idea of supremacy of America, its system of democracy, the desire to extend the ideal type of government in other countries, the perception of the world as a sphere of its interests. In addition, the opinions of Russia and America about the world order and the world system do not coincide, also because of which contradictions arise. Russia sees the world as multi-polar, and America would like to operate in a unipolar world order with a decisive role of the United States. The newly elected president of America, Donald Trump, is emotional, and his behavior can contribute to the deterioration of relations between the United States of America and its allies, and as a result they can lift sanctions against Russia, which were introduced mainly as a sign of support of the American partner.

³⁰² Arbatova N. K. Russian-Italian Relations in the context of foreign policy of Italy. // Italy at the beginning of the 21st century / A. V. Avilova, Yu. D. Kvashnin, eds. – M., IMEMO, 2015. – P. 126.

³⁰³ Italy's losses from the anti-Russian sanctions were estimated at € 4 billion. / Izvestia. 2017. [Electronic source] URL: http://izvestia.ru/news/688685 (date of access: 20.05.2017).

³⁰⁴ Italy's Tuscany Regional Council passes resolution against anti-Russian sanctions. / TASS. 2016. [Electronic source] URL: http://tass.com/world/886645 (date of access: 20.05.2017).

³⁰⁵ Lisa Ferrarini: Italy lacks very much the Russian market. / RIA.RU. 2015. [Electronic source] URL: https://ria.ru/radio_brief/20150904/1229233538.html (date of access: 20.05.2017).

³⁰⁶ Barabanov O. N., Shibkova M. O. Euroscepticism in Italy: evolution of North League political program. // Vestnik MGIMO-University. − 2015. − № 5. − Pp. 99-107.

The policy of sanctions led to both negative and positive consequences for the parties. Thus, among the negative consequences can be identified the fall in trade turnover, the reduction of political contacts and other forms of interaction, the conflictual nature of relations, destabilizing the international situation, the decline in confidence. Positive aspects of influence include the opportunity to find new partners in the energy sector and strengthen the energy security. For Russia, the sanctions regime is an incredible impetus for diversification of its economy, possibility to get rid of the dependence on the sale of energy resources, opportunity to realize the modernization of the country, anticipate the development of innovations and technologies, the emergence of a self-sufficient country capable of providing itself with worthy and competitive goods and exporting them abroad. The agriculture sector has already shown the positive dynamics. It is worth noting that, within some of the listed negative effects of sanctions, in relations between Russia and Italy there are counterbalancing elements that contribute to turn negative aspects in positive direction. According to the Italian Ambassador to Russia Cesare Maria Ragaglini, any crisis provides opportunities for the development, what is reasonable in this situation³⁰⁷.

Therefore, the hypothesis of the study was proven, given the fact that the opportunities and positive consequences prevail over the negative effects of sanctions. It remains to ensure that the government takes the necessary measures to diversify the economy and overcome energy dependence as during the crisis in economic sphere, deterioration of relations with the Western countries it is clear than never before that the issue of the successful development of economy, other spheres, maintenance of the power in diverse dimensions are highly dependent on the steps taken in the direction of the economy diversification.

Within the framework of the possible development of events, three scenarios were examined, including the worsening of the relations and the emergence of two opposing blocs like during the Cold War, improving of the relations with the possibility of the lifting of sanctions and preserving the existing situation in the current condition. It is assumed that the sanctions will be lifted within 1-5 years, and before this the relations will remain in the present state, with the existing interaction and the attempts of some actors to circumvent the restrictive measures in the sphere of economy.

The deterioration of relations between the major and important world powers destabilizes the situation in the international arena, threatens to divide the world into two blocs, as during the Cold War. The most important thing is that the state of the conflict does not allow the parties to fully participate, combining their efforts, in the fight against global threats and problems, such as terrorism, climate change and others. Absolutely, no country in the world can cope with these challenges alone, be it the United States, Russia, China or even the EU countries. Accordingly, the countries should abandon ambitions to become a dominant state, endeavors to interfere in the internal affairs of other states without the decision of the world community on this issue and if the objective is to strengthen influence and not help to resolve situation, and to invest more in the development of relations between states based on mutual interest, to maintain the peaceful situation in the sphere of

³⁰⁷ The aim – restore relations of the EU with Russia. / Gazeta.ru. 2014. [Electronic source] URL: https://www.gazeta.ru/politics/2014/07/01 a 6093753.shtml (date of access: 20.05.2017).

international relations, without contributing to the multiplication of conflict situations and tensions. In this case, the world would become a more stable and developed structure.

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7. Appendixes

- 1. Appendix № 1. Questions of the questionnaire. Text. 1 p.
- 2. Appendix № 2. Results of the respondents from Russia of the survey. Diagrams. 3 p.
- 3. Appendix № 3. Results of the respondents from Italy of the survey. Diagrams. 3 p.
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- 7. Appendix № 7. Share (%) of Russia in extra-EU28 imports of individual Member States, 2015, trade in value. Table. 1 p.

APPENDIXES

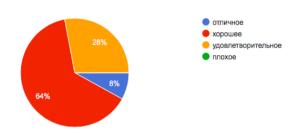
Questions of the questionnaire

- 1. How could you assess the current state of relations between Russia and Italy?
- a) excellent b) good c) satisfactory d) bad
- 2. How could you assess the state of relations between Russia and Italy 10 years ago?
- a) excellent b) good c) satisfactory d) bad
- 3. Did the sanctions of the West and Russia's counter-measures affect the relations between Russia and Italy?
 - a) yes-positively b) yes-negatively c) no, did not affect
 - 4. When, in your opinion, decision to lift the sanctions against Russia will be taken?
 - a) in less than 1 year b) in 1-5 years c) in 6-10 years d) in more than 10 years e) never
 - 5. How did the sanctions and counter-sanctions affect the situation in Russia?
 - a) positively b) negatively c) did not affect
- 6. How did the sanctions and counter-sanctions affect the situation in the countries of the European Union?
 - a) positively b) negatively c) did not affect
 - 7. Russia from the civilizational point of view is
 - a) Europe b) Asia c) Eurasia d) none of the listed
 - 8. How could you assess the unity within the European Union?
 - a) unity is present b) unity is absent c) I don't know
 - 9. Is the project of the Eurasian Union promising?
 - a) yes b) no c) I don't know
 - 10. The EU's decision on the imposition of sanctions against Russia was
 - a) independent b) depended on the opinion of the U.S. c) I don't know

Results of the respondents from Russia of the survey

Как Вы оцениваете состояние отношений между Россией и Италией в настоящее время?

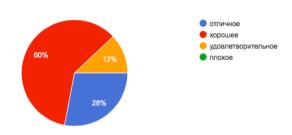
25 responses



1.

Как Вы оцениваете состояние отношений между Россией и Италией 10 лет назад?

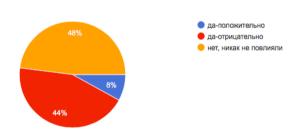
25 responses



2.

Повлияли ли санкции Запада и ответные меры России на отношения между Россией и Италией?

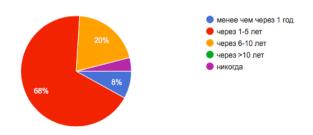
25 responses



3.

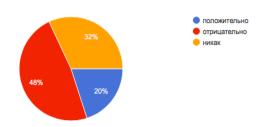
Когда, по Вашему мнению, будет принято решение о прекращении действия санкций в отношении России?

25 responses



Как повлияли санкции и контрсанкции на ситуацию в России?

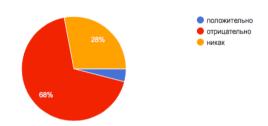
25 responses



5.

Как повлияли санкции и контрсанкции на ситуацию в странах Европейского Союза?

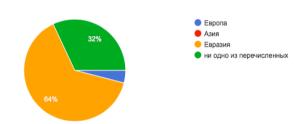
25 responses



6.

Россия в цивилизационном плане - это

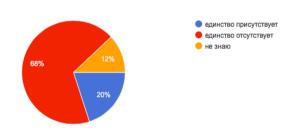
25 responses



7.

Как Вы оцениваете единство внутри Европейского Союза?

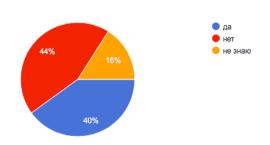
25 responses



8.

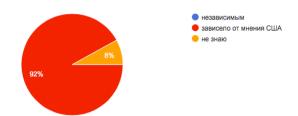
Перспективен ли проект Евразийского Союза?

25 responses



Решение ЕС по вопросу введения санкций против России было

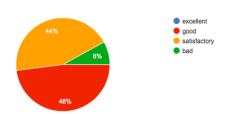
25 responses



Results of the respondents from Italy of the survey.

How could you assess the current state of relations between Russia and Italy?

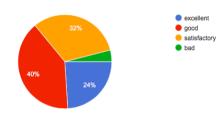
25 responses



1.

How could you assess the state of relations between Russia and Italy 10 years ago?

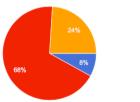
25 responses



2.

Did the sanctions of the West and Russia's counter-measures affect the relations between Russia and Italy?

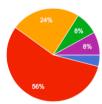
25 responses



68%

When, in your opinion, decision to lift the sanctions against Russia will be taken?

25 responses



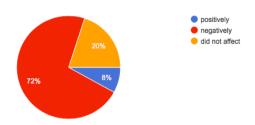
in less than 1 year
in 1-5 years
in 6-10 years
in more than 10 years
never

yes-positivelyyes-negativelyno, did not affect

4.

How did the sanctions and counter-sanctions affect the situation in Russia?

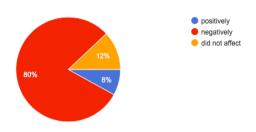
25 responses



5.

How did the sanctions and counter-sanctions affect the situation in the countries of the European Union?

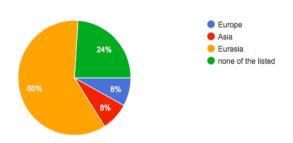
25 responses



6.

Russia from the civilizational point of view is

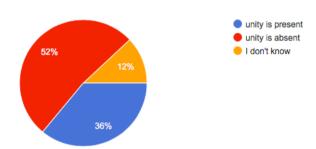
25 responses



7.

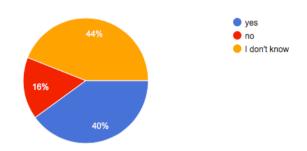
How could you assess the unity within the European Union?

25 responses



Is the project of the Eurasian Union promising?

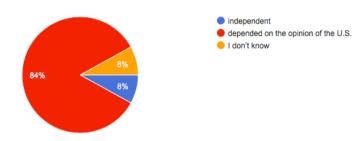
25 responses



9.

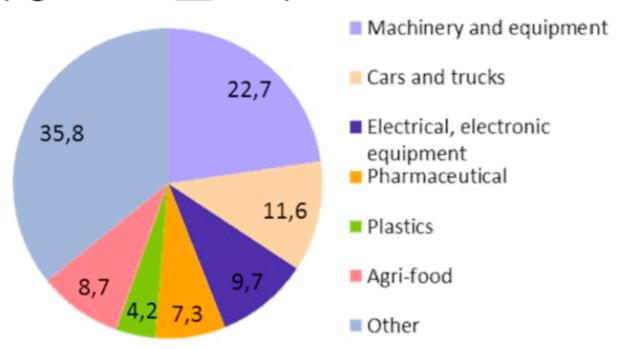
The EU's decision on the imposition of sanctions against Russia was

25 responses



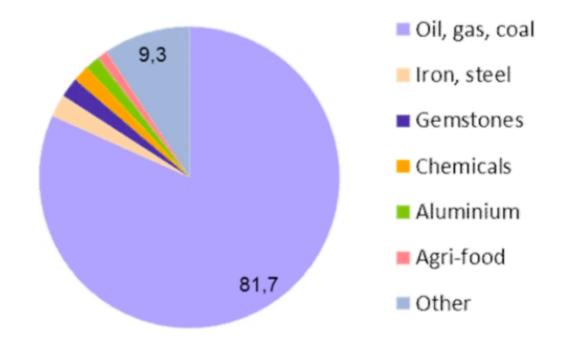
EU exports to Russia, %

(Agri-food = HS 1-24)



Russian exports to EU, %

(Agri-food = HS 1-24)



Trade with Russia by Member State (products)



Share (%) of Russia in extra-EU28 imports of individual Member States, 2015, trade in value

Country	Share (%) of Russia in national extra-EU28 imports	
	Petroleum oils	Natural gas
Belgium	25-50	0-25
Bulgaria	75-100	75-100
Czech Republic	50-75	75-100
Denmark	0-25	0-25
Germany	25-50	50-75
Estonia	75-100	75-100
Ireland	0-25	0-25
Greece	0-25	50-75
Spain	0-25	0-25
France	0-25	0-25
Croatia	50-75	0-25
Italy	0-25	50-75
Cyprus	0-25	0-25
Latvia	0-25	75-100
Lithuania	75-100	75-100
Luxembourg	0-25	0-25
Hungary	75-100	75-100
Malta	0-25	0-25
Netherlands	25-50	25-50
Austria	0-25	75-100
Poland	75-100	75-100
Portugal	0-25	0-25
Romania	25-50	75-100
Slovenia	0-25	75-100
Slovakia	75-100	75-100
Finland	75-100	75-100
Sweden	50-75	0-25
United Kingdom	0-25	0-25

Sources: Eurostat database (Comext) and Eurostat estimates

Summary of the Master's Dissertation

«Relations between Russia and Italy under the conditions

of the new economic policy of the EU

in the period from 2014 until the present time»

done by Stefanets Zhanna,

student of the double-degree program with MGIMO-University,

Degree program International Relations,

Department of Political Science,

«Governance and Global Affairs»/«Global Studies»

Supervisors:

Zonova T. V., Prof., Dr. Sc. of Political science (MGIMO)

Passacantando F., Prof., Senior Fellow of

School of European Political Economy (LUISS)

Co-supervisor:

Arcangelis G. D., Prof., Ph.D. in Economics (LUISS)

At the present time, relations between the Russian Federation and some Western countries, including member states of the European Union, the United States of America, are in a critical condition. Moving away from partnership in various fields, including active cooperation in the economic sphere, several countries suspended existing initiatives and introduced trade restrictions due to the cooling in relations. The result has been the decrease in trade turnover, the decline in confidence and the information war.

This situation is the consequence of the events in Ukraine in 2014, which led Western countries to apply restrictive measures towards Russia, which can be defined by the term «sanctions». Particularly, in March 2014, at a referendum held in Crimea in connection with the unrest in Ukraine, the population voted for the entry of the peninsula into the Russian Federation, which happened later. The Western countries, led by the U.S. and the EU, considered the referendum to be illegitimate and condemned Russia of violation of the sovereignty and territorial integrity of Ukraine. The participants in the conflict are clear and firm in their positions and they are unlikely to change their points of view, which prevents the parties from achieving reconciliation. In response to the sanctions of the Western states, Russia applied retaliatory measures, imposing embargo on the food products of a number of countries.

The term **«sanction»** has many meanings. International sanctions could be defined as non-military measures of a restrictive nature applied by a single country, group of countries or the international community represented by the United Nations to representatives of the country, companies of a country, institutions of a country, country or group of countries, usually with the aim of changing the political behavior of an actor, maintaining or restoring state of peace. Economic sanctions of various kinds are restrictions on free trade between countries, usually leading to economic losses.

In relation to Russia, the group sanctions, which were applied, were not approved by the UN. The USA initiated the policy of sanctions, urging its allies to join. Unilateral actions, interference in the internal affairs of states, desire to dominate the system of international relations became a part of the American foreign activity, what was manifested in the anti-Russian sanctions along with the corresponding rhetoric.

The **«new economic policy of the European Union»** refers to the sanction policy of the EU, which was launched in March 2014 against Russia, including various measures in a greater degree of economic direction, in

particular, the sanction of individual and sectoral character. Individual sanctions are aimed at persons, including those responsible, in the opinion of the EU, for escalating the situation in Crimea, comprising measures of restricting the movement and freezing of bank assets. Sectoral sanctions have affected the Russian financial, defense and oil production structures, including restrictions on financing in the European banks, arms embargo and the export of weapons from Russia, ban on the importation of dual-use goods and technologies into Russia, and provision of innovative technologies for the oil industry.

The dissertation examines and analyzes the relations between Russia and Italy in the context of the policy of sanctions of the European Union, as well as during the operation of the counter-measures introduced by the Russian side. Many politicians from the Russian and Italian sides treated relations between countries as privileged and strategic³⁰⁸³⁰⁹. They are based on a long history, interweaving of pragmatic economic and political interests, cultural and historical traditions and mutual sympathy of the two peoples. During the period of sanctions, bilateral relations have been preserved, having lost part of intensity and focus on further development. Nevertheless, contacts at the interpersonal level of politicians from both sides testify of the importance of cooperation and interaction for Russia and Italy. Italy is a member state of the EU and recognizes the adherence to common European values, Euro-Atlanticism, therefore, the policy pursued by the EU towards Russia is an important determinant for the foreign policy of this state in this direction. Contrariwise, Italy can influence the policy of the EU, express its opinion on the sanctions against Russia.

The selected **period** of the study of relations between Russia and Italy from 2014 to the present time corresponds to a period, in which the European Union's sanctions against the Russian Federation are in effect.

The **aim** of the dissertation is to research and cover the impact of restrictive measures on relations between Russia and Italy, Russia and the EU in various spheres of actors' interaction, involving the trade.

The **research question** can be formulated as follows: «Did sanctions and counter-sanctions significantly alter the relations between Russia and Western countries (including the EU as a whole, individual EU countries, the United States) in the period from the moment they were introduced in 2014 until the present time?»

The **proposed hypothesis** is presented as follows: with the existing positive and negative consequences that the participants experience in connection with the introduction of sanctions, it can be argued that positive consequences, including in the form of emerging opportunities, like business and economic, prevail over the negative ones from the point of view of their importance for individual participants in the relations (Russia, the EU, Italy).

To achieve the aim, the main issues addressed are:

 the concept, types, objectives, history of sanctions, their impact on relations between countries;

³⁰⁸ Foreign Minister Sergey Lavrov's interview with Italian media, Moscow, December 9, 2015. / The Ministry of Foreign Affairs of the Russian Federation. [Electronic source] URL: <a href="http://www.mid.ru/foreign_policy/news/-asset_publisher/cKNonkJE02Bw/content/id/1968020?p_p_id=101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw languageId=en_GB (date of access: 04.03.2017).

³⁰⁹ Zonova T. V. Positive agenda of the Russian-Italian meeting. / Russian Foreign Affairs Council. 2017. [Electronic source] URL: http://old.russiancouncil.ru/inner/?id 4=8972#top-content (date of access: 15.04.2017).

- the historical preconditions for the emergence of the anti-Russian sanctions and the reasons that led to their use by the parties to the conflict;
- the anti-Russian sanctions in terms of the objectives, the targets at which they are aimed and the measures that are specifically applied in accordance with the introduction of sanctions and the regime of restricting economic relations;
- the historical development of the Russian-Italian relations and its key characteristics;
- the main areas of relations between the two countries in the economic sphere;
- the main spheres of relations between the two countries in other areas;
- presentation and analysis of the positions of the main parties of the conflict regarding the sanctions policy, including statements of the main political representatives and experts;
- analysis of the impact of sanctions on the relations between participants of limitation of the
 economic activity, identification of positive and negative aspects of the influence;
- possible options of the development of the situation.

The dissertation uses scientific and special **methods** as comparative-historical, dialectical, structural-functional, institutional, as well as general methods (induction and deduction, analysis and synthesis, combination of historical and logical analysis, etc.).

Relevance of the dissertation

The theme of the thesis is highly relevant and topical, since the relations between the important elements of the system of international relations (not only between Russia and Italy, but also between Russia and the West as a whole) are considered and studied in the conditions of the tension between them that poses an element of threat to the peaceful development of the world system. In addition, the action of restrictive measures has not ended yet, and it is possible to make assumptions about the further development of the conflict.

The degree of scientific development of the issue

The Russian-Italian relations during the period of the EU sanctions against Russia were analyzed and covered in the works of many scientists and researchers³¹⁰.

Yu. L. Agapov, M. N. Dudin and N. V. Lyasnikov in the article note that the Russian-Italian relations were characterized by the strengthening of political and economic ties, openness, but the geopolitical crisis reduced the level of intensity of relations between the two states. The authors see opportunities in the crisis and stress the need to transform the Russian economic relations with Italy through a transition from the supply of energy resources to an increase in tourist exchanges³¹¹. The collection of articles on the results of the conference of the Institute of World Economy and International Relations of the Russian Academy of Sciences contains a number of articles examining various components of the Russian-Italian relations within the framework of present restrictive measures in the economy. Thus, N. K. Arbatova believes that the Italian relations with Russia,

³¹⁰ Russian researchers, such as Yu. L. Agapov, N. K. Arbatova, O. N. Barabanov, M. N. Dudin, T. V. Zonova, Yu. D. Kvashin, S. E. Knyazeva, A. V. Kuznetsov, N. V. Lyasnikov, V. A. Olenchenko, M. O. Shibkova, and foreign researchers, in particular, I. Bond, M. David, A. Ferrari, D. Gros, F. Mustilli, C. Odendahl, J. Rankin and others.

³¹¹ Agapov Yu. L., Dudin M. N., Lyasnikov N. V. Social-economic aspects of development of Italy: challenges and opportunities of cooperation with the world community. / MIR (Modernization, Innovations, Development). − 2016. − № 1. − Pp. 8-18.

the largest neighbor of the EU, have traditionally been considered by the Italian state as one of the opportunities to increase its importance in international affairs. The researcher also believes that the sanctions policy is unprofitable neither for the Italian government, nor for the Italian business, and that the settlement of the crisis in Ukraine represents one of the priorities of the Italian leadership³¹². O. N. Barabanov and M. O. Shibkova examine the essence, position and role of the «League of the North» party in Italy, note the possibility to consider it as a conductor of the Russian interests in the European Union. The authors also argue that this party refers negatively to the deterioration of relations between Russia and the EU that began in connection with the Ukrainian events and the subsequent anti-Russian sanctions³¹³. T. V. Zonova in the textbook «History of Foreign Policy of Italy» examines the historical development of the foreign policy of the Italian state, reveals the features and main stages of the Russian-Italian relations, analyzes in detail its current state³¹⁴. T. V. Zonova also notes that the Italian leadership is convinced of the need to maintain a permanent dialogue with Russia³¹⁵. strives to maintain and restore confidence in the European continent, emphasizes the strategic character of the interaction between the countries and the closeness of positions on a number of key issues in world politics. mentions the interest of the Russian Federation in restoring relations with the European Union 316. Yu. D. Kvashin considers the energy cooperation between Russia and Italy under the sanctions and concludes that the present conflict between the Russian side and the Western countries has become a serious challenge for the Russian energy cooperation with the EU as a whole and with its individual members, there is currently no opportunity to expand and develop a partnership between Russia and Italy in the energy sector, and the task of the Russian Federation remains the preservation of what has been achieved³¹⁷. S. E. Knyazeva explores the topic of values and interests within the framework of the Russian-Italian cooperation and notices that even in 2014, in the period of sharp deterioration of relations between Russia and the EU, the position of the Italian government on the issue of Russia's foreign policy course can be called one of the most loval among the member countries of the European Union³¹⁸. A. V. Kuznetsov declares that cooperation between Russia and Italy in outer space continues even in view of the existing restrictions due to the policy of sanctions, believes that this policy is not an excuse for refusing to look for new directions, and in the conditions of deterioration of relations of Russia with traditional partners, such as Germany, Italy has a chance to strengthen trade relations with Russia³¹⁹.

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³¹² Arbatova N. K. Russian-Italian Relations in the context of foreign policy of Italy. // Italy at the beginning of the 21st century / A. V. Avilova, Yu. D. Kvashnin, eds. – M., IMEMO, 2015. – Pp. 120-127.

³¹³ Barabanov O. N., Shibkova M. O. Euroscepticism in Italy: evolution of North League political program. // Vestnik MGIMO-University. − 2015. − № 5. − Pp. 99-107.

³¹⁴ Zonova T. V. History of foreign policy of Italy: textbook. – M.: Mezhdunarodnyue Otnosheniya, 2016. – 352 p.

 $^{^{315}}$ Zonova T. V. Russia and Italy: suggestions on the development of partnership. Analytical note. / Russian Foreign Affairs Council. -2014.-22 p.

³¹⁶ Zonova T. V. Positive agenda of the Russian-Italian meeting. / Russian Foreign Affairs Council. 2017. [Electronic source] URL: http://old.russiancouncil.ru/inner/?id_4=8972#top-content (date of access: 20.05.2017).

 $^{^{317}}$ Kvashin Yu. D. Perspectives of energy cooperation between Russia and Italy in the new international political environment. // Italy at the beginning of the 21^{st} century / A. V. Avilova, Yu. D. Kvashnin, eds. – M., IMEMO, 2015. – Pp. 142-148.

 $^{^{318}}$ Knyazeva S. E. Values and interests in Russian-Italian relations. // Italy at the beginning of the 21^{st} century / A. V. Avilova, Yu. D. Kvashnin, eds. – M., IMEMO, 2015. – Pp. 128-141.

³¹⁹ Kuznetsov A. V. Russia and Italy: a truly mutual interest in trade and investments? // Italy at the beginning of the 21st century / A. V. Avilova, Yu. D. Kvashnin, eds. – M., IMEMO, 2015. – Pp. 113-119.

V. A. Olenchenko refers to the question of the High Representative for Foreign Affairs and Security Policy of the European Union F. Mogherini's approach to the Ukrainian crisis, the EU's relations with Russia, states that the Italian politician takes a balanced position on this issue, calls the sides for mediation, restraint and negotiation process³²⁰. I. Bond, C. Odendahl and J. Rankin note that some countries within the European Union. including Italy, Austria, Cyprus, France, Greece and others desire the lifting of sanctions against Russia. Authors also stress that the the zone of euro still shows its weakness and Italy is not intended to decrease its economic opportunities and indicators by applying the policy of sanctions³²¹. Foreign policy analyst M. David states that Italy had a close relations with Russia even with the existence of circumstance that it has not always met the national interest of Italy. The researcher claims that Italy with Greece, Hungary, Slovakia, Austria and the Czech Republic are those country-members of the EU that want the sanctions to be relaxed or lifted³²². The Italian Institute for International Political Studies (ISPI) provided a research on the consideration of changing of the Russian behaviour in the international arena after the Ukrainian events in 2014, as regards the relations of Russia with the EU, China and other actors. The work of the think tank considers the relations between Russia and the EU in general, and not separetely the Russian-Italian relations. However, since Italy is the member of the EU, it follows the European Union's foreign policy comprising the direction of Russia³²³. D. Gros and F. Mustilli examine the economic impact of the anti-Russian sanctions. They notice that the share of import by Russia from Italy and other significant European actors in economic terms has not expecienced a significant change since the start of the policy of sanctions³²⁴.

The **object** of study of this dissertation is the state and level of development of the bilateral relations between Russia and Italy.

The **subject** of study is the change in the state of relations between the Russian Federation and the Italian Republic during the period of the Western anti-Russian sanctions and Russian counter-sanctions.

To identify the perception of the representatives of Russia and Italy of the impact of sanction policies, relations between Russia and Italy, and their changes due to the deterioration of relations in view of the events in Ukraine, was conducted a **survey** of 50 respondents from both countries, the results of which were used in the work (Appendix N_2 1, Appendix N_2 2, Appendix N_2 3).

For identifying the perception of the Russian Federation and the anti-Russian sanctions by the political representatives of states the dissertation uses articles from newspapers, journals and other means of the media, where the interviews and commentaries of the needed politicians were presented.

³²⁰ Olenchenko V. A. Federica Mogherini and expectations of new approaches to the Ukrainian question. // Italy at the beginning of the 21st century / A. V. Avilova, Yu. D. Kvashnin, eds. – M., IMEMO, 2015. – Pp. 149-153.

³²¹ Bond I., Odendahl C., Rankin J. Frozen: The politics and economics of sanctions against Russia. // Centre for European Reform. – 2015. – P. 22.

³²² David M. Member states' relations with Russia: solidarity and spoilers. // Avoiding a new «Cold War»: The future of EU-Russia relations in the context of the Ukraine crisis. Special report. LSE. – 2016. – Pp. 33-40.

³²³ Putin's Russia: really back? Report of ISPI. / Ed. By A. Ferrari. ISPI. 2016. [Electronic source] URL: http://www.ispionline.it/it/articoli/articolo/russia-eurasia/putins-russia-really-back-rapporto-ispi-15515 (date of access: 22.04.2017).

³²⁴ Gros D., Mustilli F. The economic impact of sanctions against Russia: much ado about very little. // CEPS commentary. – Brussels, 2015. – 4 p.

Theoretical and practical significance

Theoretical and practical significance of the study consists in the possibility of using the materials of the dissertation to carry out activities of promoting the Russian-Italian relations, their maintenance in the context of sanction policy. In the dissertation are presented the analysis of the impact of the regime of sanctions on the relations between Russia and the Western countries, the positions of the main actors, and scenarios for the development of events. The results of the dissertation can be used for scientific purposes.

The scientific novelty

The scientific novelty of the study is that the author has studied a wide range of aspects of bilateral interaction between the Russian Federation and the Italian Republic, in particular in the context of the ongoing crisis in the relations between Russia and the West, one of the manifestations of which are the sanctions applied by the parties. The views of the main representatives of the conflict are analyzed and presented, and variants of the development of the situation are revealed. The author used the latest data in the disclosure of the topic. The survey was complied, conducted and used in order to understand how representatives of both countries percieve the state of relations and some aspects, which were examined.

The dissertation **consists** of Introduction, Main part, Conclusion, Bibliography and Appendixes. The main part is divided into three chapters, such as The Western sanctions and the Russian counter-sanctions, Relations between the Russian Federation and the Italian Republic and Opinions and forecasts.

The first Chapter is called «The Western sanctions and the Russian counter-sanctions» and divided into three sections. The section 2.1. is called "Theoretical and methodological foundation of sanctions" and it presents an overview of the methodological and theoretical background to sanctions. The history of the application, several studies of theorists on this issue are considered. In addition, the term «sanctions» was defined (Sanctions could be defined as non-military restrictive measures that are applied by a country, group of countries or the international community represented by the UN against individual representatives of a country, companies of a country, institutions of a country, a country or group of countries, might be political or economic, aiming to change the political actions of the recipient country and providing restrictions or termination of economic, diplomatic, cultural and other relations. P. 14), types of sanctions (political and economic; individual, group and sanctions of the world community; smart/targeted and comprehensive), goals, targets were identified. The question of the effectiveness of sanctions with using of examples and case studies was investigated. It should be noted that the time factor for the sanction policy is important, because with time it is possible to notice the results, time could help achieve the goal of the country initiating sanctions or adapting to sanctions by the country-target. The section 2.2. is called «Historical background and causes of the emergence of sanctions and counter-sanctions». It comprises the examination of the historical features of the relations between Russia and the West, the difference in the civilizational component of two actors, the struggle for supremacy in the zone of the territories of the former Soviet Union that could exert their influence on the imposition of sanctions against Russia by the EU, the USA and other countries. The policy of the EU and the United States in this region and Russia's actions are being considered, which are in state of contradiction with

each other. Russia is the largest and most influential state in the post-Soviet space, the heiress of the USSR and it observes the activity of the Western countries there as a challenge. Asymmetric interdependence between countries also has an impact on the development of relations between them. The section 2.3., which is named «Emergence and senses of sanctions and counter-sanctions», specifies the process in Ukraine, which lead to the adoption of sanctions against Russia, in particular, the accession of the Crimea, the legal side of the issue and the points of view of the main participants. The sanctions and objects they touched upon were listed and explained, as well as the measures to resolve the conflict (the Minsk Agreements).

The second Chapter is called «Relations between the Russian Federation and the Italian Republic» and includes three sections. The section 3.1. is divided into with subsections, as follows: 3.1.1. (History of development of the Russian-Italian relations), 3.1.2. (The Russian-Italian relations in the Soviet period), 3.1.3. (The contemporary Russian-Italian relations). The mentioned section includes the examination of the history of relations between Russia and Italy with the allocation of periods is examined. The sections 3.2. (Relations between Russia and Italy in the economic sphere) and 3.3. (Relations between Russia and Italy in other spheres) explore the relations between Russia and Italy in the economic sphere that is important for the partners, as well as in other areas (military-technical, political, anti-terrorist, cultural and others) with the definition of the main institutions promoting interaction, projects, initiatives that contribute to the development of interaction. Furthermore, the functioning and introduction of special economic zones in Russia on the initiative of Italy and on the analogue of industrial districts is analyzed.

The third Chapter is named «Opinions and forecasts» and includes three sections. The section 4.1. is called «The positions of main actors and experts» and presents the determination of the points of view of the main countries on the policy of sanctions between the West and Russia, which are defined in the statements of the main political representatives and experts, and their analysis. The actors' views on the nature of sanctions, reasons, initiators, relations with Russia, the desired development of events were also revealed. The section 4.2. is named «Influence of sanctions, drawbacks and advantages in existing situation» and analyzes the impact of sanctions on distributing actors, the positive and negative consequences of sanctions. A general assessment of the influence and opportunities that the participants in the sanction policy have in this situation is given. The section 4.3. is called «The possible development of the situation» and includes the identified options of the development of the situation linked to the sanctions, presupposition on of the most likely option, the factors that can lead to this or that scenario and influence the situation.

It is possible to present the results of the dissertation and state the main **conclusions**.

The sanctions policy can be applied to various participants of different levels of the international system (individuals, companies, institutions, countries, groups of countries) and pursue a number of specific goals in each case. The theme of the discussion among experts and theorists remains the question of the effectiveness of sanctions and their impact on the situation in the country, in relation to which the restrictive policy was introduced. Howbeit, as a result of the introduction of the sanctions regime, the country's influence in the international arena may decrease. An important factor is time, because over time it is possible to see the effect of

the sanctions policy, in addition, time can help achieve the goal of the country-sender or adapting of the country-target to sanctions.

Sanctions against Russia, which were introduced in 2014, have their own reasons, including the desire to dominate and exert a decisive influence on the processes in the post-Soviet space. Actors that implement their activities with the specified goals in the region, including the United States, the EU and Russia, apply methods of spreading their ideology, values. Russia is taking a unique position in geographical and economic terms for the countries of the post-Soviet space and is indicating that its opinion in this area should be taken into consideration. The historical features of the development of relations between the countries, the change and the state of the alignment of forces, the different perceptions of participants about the necessary functioning of the international system, asymmetric interdependence are also among the factors that influenced the emergence of sanctions used against the Russian Federation.

In 2014, the Western countries imposed a number of restrictive measures against Russia due to the fact that the entry of Crimea into Russia they evaluated as illegal action violating the territorial integrity of Ukraine. Russia's position is that the conducted procedure of referendum is a democratic tool that allowed people to use the right to self-determination. Russia responded to the Western sanctions by imposing an embargo on food products. The points of view of the two sides are clearly defined and are unlikely to be changed. The sanctions policy influenced the relations between the countries, which resulted in the fall of confidence taking into account the fact that Russia and the EU, for example, are important trading partners.

Relations between the Russian Federation and the Italian Republic deserve special attention. They can be characterized as strategic, privileged and trustful. The countries have a long history of development of cooperation in various areas, including economic, military-technical, political, anti-terrorist, cultural and others. The large number of state and non-state organizations is operating, within the framework of which cooperation between Russia and Italy is developing. Moreover, joint projects are being implemented and various initiatives are coming from both partners. Italy is aimed at carrying out actions that contribute to the development of relations between Russia and the EU, Russia and NATO.

Political and diplomatic contacts between the representatives of Russia and Italy at the high level remain intense even in the period of tense relations between Russia and the EU in connection with sanctions. Additionally, the anti-Russian sentiment prevailing in Europe practically did not affect the Italian Republic³²⁵. However, the economic cooperation between the countries has decreased. According to the assessments, Italy in connection with the policy of sanctions suffered losses of approximately €4 billion³²⁶. In Italy, a number of regions (Veneto, Lombardy, Tuscany and Liguria) expressed dissatisfaction with sanctions³²⁷, this view was

³²⁵ Arbatova N. K. Russian-Italian Relations in the context of foreign policy of Italy. // Italy at the beginning of the 21st century / A. V. Avilova, Yu. D. Kvashnin, eds. – M., IMEMO, 2015. – P. 126.

³²⁶ Italy's losses from the anti-Russian sanctions were estimated at € 4 billion. / Izvestia. 2017. [Electronic source] URL: http://izvestia.ru/news/688685 (date of access: 20.05.2017).

³²⁷ Italy's Tuscany Regional Council passes resolution against anti-Russian sanctions. / TASS. 2016. [Electronic source] URL: http://tass.com/world/886645 (date of access: 20.05.2017).

also supported by business representatives³²⁸, the «North League» party³²⁹, which could lead to pressure on the government and the subsequent lifting of sanctions against Russia.

It should be noted that, despite the fact that the EU unanimously imposed sanctions on Russia, the positions of individual countries differ. Some actively support this type of policy, insist on continuation or toughening of it (the UK, Baltic republics, Poland), others, on the contrary, speak about the lifting of sanctions, their negative influence (Slovakia, Czech Republic, Greece, Cyprus and others), another group of countries holds a neutral position.

At the moment, it seems that the European Union is more concerned about the state of unity within it, especially in connection with the exit of the UK, rather than about a concerted decision on any issue, including the extension of the sanctions. There seems to be no real discussion due to the unwillingness to put unity even more under attack, and, as a result, the quality of such decisions is low.

There is also a point of view that the EU was guided by the U.S. opinion while imposing the sanctions against Russia, which is also shared by the majority of the respondents from Russia and Italy (Appendix \mathbb{N}_2 1, Appendix \mathbb{N}_2 2, Appendix \mathbb{N}_2 3).

As for the United States, it is trying to maintain the role of the world arbitrator, once again interfering in the affairs of other states, is seeking to destabilize the situation on the territory of the former Soviet Union and to weaken the Russian influence. In the American policy, the role of an ideological factor is traced, including the idea of supremacy of America, its system of democracy, the desire to extend the ideal type of government in other countries, the perception of the world as a sphere of its interests. In addition, the opinions of Russia and America about the world order and the world system do not coincide, also because of which contradictions arise. Russia sees the world as multi-polar, and America would like to operate in a unipolar world order with a decisive role of the United States. The newly elected president of America, Donald Trump, is emotional, and his behavior can contribute to the deterioration of relations between the United States of America and its allies, and as a result they can lift sanctions against Russia, which were introduced mainly as a sign of support of the American partner.

The policy of sanctions led to both negative and positive consequences for the parties. Thus, among the negative consequences can be identified the fall in trade turnover, the reduction of political contacts and other forms of interaction, the conflictual nature of relations, destabilizing the international situation, the decline in confidence. Positive aspects of influence include the opportunity to find new partners in the energy sector and strengthen the energy security. For Russia, the sanctions regime is an incredible impetus for diversification of its economy, possibility to get rid of the dependence on the sale of energy resources, opportunity to realize the modernization of the country, anticipate the development of innovations and technologies, the emergence of a self-sufficient country capable of providing itself with worthy and competitive goods and exporting them

³²⁸ Lisa Ferrarini: Italy lacks very much the Russian market. / RIA.RU. 2015. [Electronic source] URL: https://ria.ru/radio_brief/20150904/1229233538.html (date of access: 20.05.2017).

³²⁹ Barabanov O. N., Shibkova M. O. Euroscepticism in Italy: evolution of North League political program. // Vestnik MGIMO-University. − 2015. − № 5. − Pp. 99-107.

abroad. The agriculture sector has already shown the positive dynamics. It is worth noting that, within some of the listed negative effects of sanctions, in relations between Russia and Italy there are counterbalancing elements that contribute to turn negative aspects in positive direction. According to the Italian Ambassador to Russia Cesare Maria Ragaglini, any crisis provides opportunities for the development, what is reasonable in this situation³³⁰.

Therefore, the hypothesis of the study was proven, given the fact that the opportunities and positive consequences prevail over the negative effects of sanctions. It remains to ensure that the government takes the necessary measures to diversify the economy and overcome energy dependence as during the crisis in economic sphere, deterioration of relations with the Western countries it is clear than never before that the issue of the successful development of economy, other spheres, maintenance of the power in diverse dimensions are highly dependent on the steps taken in the direction of the economy diversification.

Within the framework of the possible development of events, three scenarios were examined, including the worsening of the relations and the emergence of two opposing blocs like during the Cold War, improving of the relations with the possibility of the lifting of sanctions and preserving the existing situation in the current condition. It is assumed that the sanctions will be lifted within 1-5 years, and before this the relations will remain in the present state, with the existing interaction and the attempts of some actors to circumvent the restrictive measures in the sphere of economy.

The deterioration of relations between the major and important world powers destabilizes the situation in the international arena, threatens to divide the world into two blocs, as during the Cold War. The most important thing is that the state of the conflict does not allow the parties to fully participate, combining their efforts, in the fight against global threats and problems, such as terrorism, climate change and others. Absolutely, no country in the world can cope with these challenges alone, be it the United States, Russia, China or even the EU countries. Accordingly, the countries should abandon ambitions to become a dominant state, endeavors to interfere in the internal affairs of other states without the decision of the world community on this issue and if the objective is to strengthen influence and not help to resolve situation, and to invest more in the development of relations between states based on mutual interest, to maintain the peaceful situation in the sphere of international relations, without contributing to the multiplication of conflict situations and tensions. In this case, the world would become a more stable and developed structure.

³³⁰ The aim – restore relations of EU with Russia. / Gazeta.ru. 2014. [Electronic source] URL: https://www.gazeta.ru/politics/2014/07/01 a 6093753.shtml (date of access: 20.05.2017).