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Research Article

Designation of the Russian Federation as a State Sponsor of Terrorism: Meeting the “Club of Villains” Criteria

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Abstract: The article analyzes the primary reasons for designating the Russian Federation as a state sponsor of terrorism. The issue gained prominence with the full-scale invasion of Ukraine on February 24, 2022—the largest and deadliest armed conflict in Europe since World War II—challenging the unity of the Collective West and the global security system. The vision of a peaceful and prosperous European space from Lisbon to Vladivostok has been permanently shattered.

To achieve its geopolitical objectives, Russia has been involved in numerous armed conflicts since 1991, such as in Georgia, Tajikistan, Chechnya, and now Ukraine, orchestrated operations on the soil of other states, and supported terrorist organizations. Aspiring to be a superpower in the aftermath of the USSR, Russia has utilized hybrid warfare instruments for decades to undermine democracies globally and maintain influence over former Soviet republics. Some of its actions can be classified as terrorism, support for terrorism, ethnocide, or genocide.

This article explores the criteria for including countries in the US list of state sponsors of terrorism and compares them with the activities of the Russian Federation. It provides evidence that Russia qualifies for inclusion in the list, although the US still hesitates to designate it as a state sponsor of terrorism or a terrorist state/regime.

Keywords: war, conflict, aggression, full-scale invasion, state sponsor of terrorism, terrorist state, terrorism, Russia, Russian Federation, Ukraine.

Introduction

The full-scale invasion of Ukraine launched by the Russian Federation (RF) on February 24, 2022, is a rude violation of the post-WWII global order, resulting in a vast spectrum of war crimes committed by the Russian military¹ and sparking discussions regarding the recognition of the Russian Federation as a state sponsor of terrorism.

What does the term imply? The US Department of State provides the following definition: “Countries determined by the Secretary of State to have repeatedly provided support for acts of international terrorism,”² implicated, first and foremost, in assassinations on foreign soil.³

The United States first established its list of state sponsors of terrorism in 1979. Currently, there are four countries on the list: Syria (added on December 29, 1979), Iran (added on January 19, 1984), the Democratic People’s Republic of Korea (North Korea) (added on November 20, 2017), and Cuba (added on January 12, 2021). However, the list is subject to periodic review, and countries may be removed from it if there is evidence to suggest that they no longer meet the criteria for designation as state sponsors of terrorism. This has been the case with countries like Iraq, Libya, South Yemen, and Sudan.

This article briefly examines the actions of countries that led to their inclusion in the list of state sponsors of terrorism and compares them to certain actions of the Russian Federation since 1991 that might make it eligible for designation as a state sponsor of terrorism. The emphasis is on the ongoing discussion about whether to include Russia in the U.S. Department of State’s list of state sponsors of terrorism. While Ukraine, many EU countries, and institutions have already taken relevant measures, the US has yet to make a decision on this matter. Given the prolonged and impactful war in Ukraine, any decision to include Russia in this list should be thoroughly studied, considering the potential consequences for the democratic world if the Russian Federation continues its actions unabated.

What Actions Led to Qualifying Some Countries as State Sponsors of Terrorism?

State Department officials refer to labeling any country as a state sponsor of terrorism as the “nuclear option.”⁴ The US Department of State publishes annual

¹ Amanda Macias, “Russia Has Committed More Than 65,000 War Crimes in Ukraine, Prosecutor General Says,” *CNBC*, February 1, 2023, <https://www.cnn.com/2023/02/01/ukraine-russia-war-65000-war-crimes-committed-prosecutor-general-says.html>.

² “State Sponsors of Terrorism,” Bureau of Counterterrorism, U.S. Department of State, <https://www.state.gov/state-sponsors-of-terrorism/>.

³ “Country Reports on Terrorism 2020: Democratic People’s Republic of Korea,” Bureau of Counterterrorism, U.S. Department of State, www.state.gov/reports/country-reports-on-terrorism-2020/democratic-peoples-republic-of-korea/.

⁴ Michael Crowley and Edward Wong, “Blinken Resists Push to Label Russia a Terrorist State,” *New York Times*, July 29, 2022, <https://www.nytimes.com/2022/07/29/us/politics/russia-terrorism-blinken.html>.

reports that offer evidence of a state's involvement in assassinations on foreign soil and other atrocities, which serve as grounds for their inclusion in the list of state sponsors of terrorism. We will examine this evidence for the countries currently on the list to establish a reference for comparing the actions of the Russian Federation.

Syria. The country was added to the list in 1979. Among other deeds, it provided weapons and political support to Hizballah, its policies contributed to the strengthening of Al-Qaeda and ISIS, and it continued to design and implement external terrorist operations. By releasing extremists from prisons in 2011-2012, the Assad regime created favorable conditions for a rise in terrorism within the country, which led to the brutalization of the Syrian and Iraqi populations eight years later. The country's leadership also prosecutes and imprisons opposition members, human rights defenders, and protestors under the pretext of fighting terrorism while portraying itself as a victim of domestic terrorists.⁵

Therefore, the indicators suggesting that a country is a state sponsor of terrorism include providing support to terrorist groups (financial aid, weapons, facilitating terrorists' activities), often resulting in numerous deadly attacks or terrorist acts both domestically and internationally, as well as human rights abuses. This also encompasses providing shelter for terrorists and refusing to extradite such individuals upon request; facilitating plots and targeting dissidents on the territory of other countries; utilizing local terrorist organizations and proxy groups to evade accountability; implementing/ sponsoring offensive cyber attacks against foreign governments and private sector entities; and maintaining close collaboration with designated state sponsors of terror.

Iran. The 2019 report of the U.S. Department of State called Iran "the world's worst state sponsor of terrorism."⁶ The country was designated as a state sponsor of terrorism in 1984. The grounds for such a decision included Iran's support to Hizballah, Palestinian terrorist groups in Gaza, and various terrorist and militant groups in Iraq, Syria, and elsewhere throughout the Middle East (Kata'ib Hizballah (KH), Harakat al-Nujaba, and Asa'ib Ahl al-Haq), which led to instability in the region. The provision of financial support and facilitation to Shia fighters from Afghanistan and Pakistan enabled them to take part in the Assad regime's brutal suppression in Syria. Iran also backed Syrian militia operations with weapons. It supplied weapons to Hizballah in Lebanon, Shia militant groups in Bahrain, and Houthi militants in Yemen. Weaponing Hamas and other Palestinian terrorist

⁵ "Country Reports on Terrorism 2020: Syria," Bureau of Counterterrorism, U.S. Department of State, <https://www.state.gov/reports/country-reports-on-terrorism-2020/syria/>.

⁶ "Country Reports on Terrorism 2020: Iran," Bureau of Counterterrorism, U.S. Department of State, <https://www.state.gov/reports/country-reports-on-terrorism-2020/iran/>.

groups in 2020 led to numerous deadly attacks in Gaza and the West Bank. Regional militant and proxy groups have been used to shield the country from accountability for its aggressive policies.

Iran also supported human rights abuses committed against civilians in Iraq and has provided shelter for individuals considered terrorists or subjects to extradition, such as senior al-Qa'ida members. Additionally, Iran targets Iranian dissidents in European countries such as Albania, Belgium, Denmark, and The Netherlands. The Iranian government also implements a robust offensive cyber program, enabling sponsored cyber attacks against foreign governments and private companies.⁷

The Democratic People's Republic of Korea (North Korea) was designated as a state sponsor of terrorism in 1988 (rescinded in 2008 after agreeing to freeze and inactivate its nuclear program) and again on November 20, 2017. This decision was grounded on North Korea's involvement in the 1987 bombing of a Korean Airlines passenger flight, its sheltering of Japanese Red Army members wanted by their government for their participation in a 1970 Japan Airlines hijacking, and the abduction of several Japanese nationals in the 1970s and 1980s.⁸

Since 2008, breaching the agreements, North Korea has achieved a lot in its nuclear program by conducting two nuclear weapons tests – in 2009 and 2013. The country sells equipment and weapons to Hezbollah and Hamas. In 2014 anti-tank guided missiles from North Korea were reportedly used against Israel. The North Korean government has been accused of engaging in the harassment, abduction, and murder of refugees, dissidents, and foreigners who attempt to aid the people of North Korea, such as Reverend Kim Dong-sik. Cyber attacks have reportedly targeted U.S. government agencies.⁹

Cuba was added to the list in 1982 for providing safe haven, training, facilitation, and financial support to guerrilla groups and individual terrorists. In 2015, it was taken down from the list during an attempt to relaunch US-Cuba relationships. However, it was reinstated as a state sponsor of terrorism by the Trump Administration shortly thereafter for continuing to shelter individuals who had committed or supported acts of terrorism in the United States. The primary goal was to deprive the Castro regime of resources used to oppress the Cuban people

⁷ "Country Reports on Terrorism 2020: Iran."

⁸ "Country Reports on Terrorism 2020: Democratic People's Republic of Korea," Bureau of Counterterrorism, U.S. Department of State, <https://www.state.gov/reports/country-reports-on-terrorism-2020/democratic-peoples-republic-of-korea/>.

⁹ "North Korea: Back on the State Sponsor of Terrorism List?" Hearing before the Subcommittee on Terrorism, Nonproliferation, and Trade of the Committee on Foreign Affairs House of Representatives, Serial No. 114-118, October 22, 2015 (Washington: U.S. Government Publishing Office, 2015), <https://www.govinfo.gov/content/pkg/CHRG-114hrg97268/html/CHRG-114hrg97268.htm>.

and to counter its negative influence in Venezuela and the wider Western Hemisphere. As an example, in 2019, Cuba refused to extradite to Colombia leaders of the group responsible for the bombing in Bogota that resulted in 22 deaths. Additionally, it declined a request from the US to return an assassin included in the FBI's Most Wanted Terrorists List, who was involved in the killing of New Jersey State Trooper Werner Foerster in 1973, as well as William "Guillermo" Morales, who attempted to assassinate members of the Armed Forces for National Liberation and others by a bomb.¹⁰ The Cuban government supports FARC and enables the ELN to continue its activities abroad. It also contributes to creating favorable conditions in Venezuela for international terrorists by supporting Maduro. Furthermore, Cuba maintains close cooperation with Iran and North Korea, both designated as state sponsors of terrorism.

Thus, sanctions imposed on Cuba as a state sponsor of terrorism also extend to persons and countries engaging in trade with Cuba. These sanctions include restrictions on U.S. foreign assistance, a ban on defense exports and sales, and controls on exports of dual-use items.

Actions of the Russian Federation that Might Qualify It as a State Sponsor of Terrorism

The Russian Federation has never been designated as a state sponsor of terrorism. However, in April 2020, the U.S. government designated the Russian Imperial Movement (RIM) and members of its leadership as Specially Designated Global Terrorists. This marked the first time that the State Department designated a white identity terrorism (WIT) group. RIM has provided paramilitary-style training to white supremacists and neo-Nazis in Europe. In 2016, two Swedish individuals attended RIM's training course, after which they committed a series of bombings in Gothenburg, Sweden, targeting a refugee shelter, a shelter for asylum seekers, and a café. These individuals were subsequently convicted in Sweden for these crimes.

Before its disbandment, the Wagner Group had been designated as a terrorist organization by UK officials,¹¹ and the US Department of the Treasury had sanctioned it as a Transnational Criminal Organization.¹² Later, in 2023, U.S. senators Ben Cardin, Roger Wicker, and others reintroduced the Holding Accountable Russian Mercenaries (HARM) Act, bipartisan legislation requiring the Secretary

¹⁰ "Country Reports on Terrorism 2020: Cuba," Bureau of Counterterrorism, U.S. Department of State, <https://www.state.gov/reports/country-reports-on-terrorism-2020/cuba/>.

¹¹ Ivan Pereira, "Russian-backed Mercenary Squad Wagner Group Designated as Terrorist Organization by UK Officials," *ABCNews*, September 15, 2023, <https://abcnews.go.com/International/wagner-group-designated-terrorist-organization-uk-officials/story?id=103226543>.

¹² "Treasury Sanctions Russian Proxy Wagner Group as a Transnational Criminal Organization," *U.S. Department of the Treasury*, January 26, 2023, <https://home.treasury.gov/news/press-releases/jy1220>.

of State to designate the Wagner Group as a foreign terrorist organization.¹³ Wagner was funded by and operated under the auspices of the Russian Government.¹⁴ The group committed numerous war crimes in Ukraine, Syria, Libya, Venezuela, and across the African continent, including mass executions, rape, child abductions, and physical abuse.¹⁵

This article aims to analyze whether the Russian Federation qualifies as a state sponsor of terrorism. It will examine its operations in other countries, both those not in a state of conflict with Russia and those where Russia has been a party to conflicts since 1991. While providing a comprehensive overview of the Russian Federation's actions would require extensive research, this analysis will focus on a few examples of actions similar to those used by the U.S. Department of State to justify the designation of other countries as state sponsors of terrorism. Special attention will be given to Ukraine, a country actively advocating for this designation.

Provision of support (financial aid, weapons, facilitation of terrorists' activities) to terrorist groups, which often leads to numerous deadly attacks or terrorist acts inland and overseas, as well as human rights abuses:

- Support of the Wagner Group, which operates in alignment with the Russian Federation's foreign policy objectives, spreads terror and commits war crimes. This includes actions in Syria, Libya, the Central African Republic, Mali, Sudan, Madagascar, Venezuela, Mozambique, and Ukraine;
- Support for Hezbollah, the Iranian Islamic Revolutionary Guard Corps, and the Taliban, including the provision of chemical and other weapons;¹⁶
- Political, financial, and military support provided to the unrecognized Pridnestrovian Moldavian Republic;
- Support for separatists engaged in acts of violence against Ukrainian civilians in eastern and southern regions of Ukraine in 2014 during attempts to establish quasi-republics;
- Systematic supply of heavy weaponry, money, personnel, training, and facilitation to illegal armed groups, resulting not only in terror among the

¹³ "Cardin, Wicker, Colleagues Lead Legislation to Designate Wagner Group As a Foreign Terrorist Organization," *Sen. Ben Cardin site*, February 15, 2023, www.cardin.senate.gov/press-releases/cardin-wicker-colleagues-lead-legislation-to-designate-wagner-group-as-a-foreign-terrorist-organization/.

¹⁴ Jennifer Maddocks, "Putin Admits to Funding the Wagner Group: Implications for Russia's State Responsibility," *Lieber Institute*, West Point, June 30, 2023, <https://lieber.westpoint.edu/putin-admits-funding-wagner-group-implications-russias-state-responsibility/>.

¹⁵ "Treasury Sanctions Russian Proxy Wagner Group as a Transnational Criminal Organization."

¹⁶ "Four Reasons Why the US Should Designate Russia as a State Sponsor of Terrorism," *Euromaidan Press*, August 31, 2022, <https://euromaidanpress.com/2022/08/31/why-russia-should-be-designated-a-state-sponsor-of-terrorism-2/>.

Ukrainian population in Donetsk and Luhansk People's quasi-Republics (DLPR), but also numerous terrorist attacks, including the shooting down of Malaysia Airlines Flight MH17, which resulted in the death of 298 civilians; etc.

Provision of shelter for terrorists and refusal to extradite such persons on demand:

- Sheltering former President of Ukraine Yanukovich, who has been found guilty of treason and has not been extradited from the Russian Federation, along with several other political figures who fled as a result of the Revolution of Dignity;
- No reaction to demands for the extradition of three individuals found guilty of downing a Malaysia Airlines plane, who have been sentenced to life by a Dutch court.¹⁷ These individuals include Igor Girkin, a former Federal Security Service member who played a key role in the annexation of Crimea by the Russian Federation and later organized militant groups in the so-called Donetsk People's Republic.

Facilitation of plots and targeting dissidents on the territory of other countries:

- Poisoning Ukraine's presidential candidate Viktor Yushchenko with dioxin in 2004;
- Poisoning the former intelligence officer Litvinenko with polonium-210 on the territory of the United Kingdom in 2006.
- Poisoning the former intelligence officer Skripal and his family with the Novichok nerve agent on the territory of the United Kingdom in 2018;
- Facilitating kidnappings and assassinations of pro-Ukrainian activists during the Revolution of Dignity;
- Planning the assassination of the Ukrainian leadership and the substitution of the President with Victor Yanukovich, former President of Ukraine accused of state treason, in 2022;¹⁸
- Engineering the illegal "referendum" in annexed Crimea, accompanied by intimidation against non-Russian ethnic groups. This marked the beginning of a systemic policy of harassment and suppression aimed at erasing the distinct cultures of ethnic Ukrainian and Tatar people in Crimea. These communities suffered abductions, murders, arbitrary searches and detentions, oppression of their leaders, elimination of institutions, forced exile, etc.;
- Mass torture, rape, and executions of civilians in the occupied Donetsk and Luhansk oblasts of Ukraine, as well as other regions that had been under

¹⁷ Paul Kirby, "MH17: Australia Asks Russia to Hand over Three Who Downed Airliner," *BBC News*, November 18, 2022, www.bbc.com/news/world-europe-63673919.

¹⁸ Mikhail Zygar, *War and Punishment. Putin, Zelensky, and the Path to Russia's Invasion of Ukraine* (Scribner, 2023).

occupation since February 24, 2022 – actions already classified as genocide by most democratic countries.¹⁹ Russia’s leadership was planning to send captured Ukrainians to concentration camps in Western Siberia.²⁰ In 2023, Russian Prime Minister Mikhail Mishustin signed a government order²¹ instructing the Russian Federal Penitentiary Service to set up 28 penal colonies in the four Russian-annexed regions of Ukraine – in Donetsk, Luhansk, Kherson, and Zaporizhzhia regions.

Utilization of local terrorist organizations and proxy groups to shield from accountability:

- Utilization of local terrorist organizations to destabilize Ukraine and violate its sovereignty by establishing Donetsk and Luhansk Peoples’ quasi-republics;²²
- Sponsoring right-wing organizations and movements across Europe used for anti-government demonstrations and destabilization of domestic situations.

Implementation or sponsorship of offensive cyber attacks against foreign governments and private sector entities:

- Multiple instances of malicious cyber activities targeting government bodies, election organizations, healthcare and pharmaceutical sectors, defense industry, energy infrastructure, nuclear facilities, commercial facilities, water systems, aviation, and critical manufacturing. Notable incidents include the 2020 compromise of the SolarWinds software supply chain, the 2020 targeting of U.S. companies developing COVID-19 vaccines, and the 2018 targeting of U.S. industrial control system infrastructure, among others.²³

Close collaboration with designated state sponsors of terror:

- Providing material support to Syria, which is currently designated as a state sponsor of terrorism;
- Turning to Iran and North Korea for military support;

¹⁹ “Seven Countries Have Already Recognised Russia’s War Against Ukraine as Genocide,” *Promote Ukraine Media*, May 29, 2022, <https://www.promoteukraine.org/seven-countries-have-already-recognised-russias-war-against-ukraine-as-genocide/>.

²⁰ Igor Berezhanskiy, “Putin and Shoigu planned to set up concentration camps for Ukrainians in Western Siberia – Danilov,” *TSN*, April 22, 2022, <https://tsn.ua/en/ato/putin-and-shoigu-planned-to-set-up-concentration-camps-for-ukrainians-in-western-siberia-danilov-2043616.html>.

²¹ “The Order of the Government of the Russian Federation #97-p as of 23 January 2023,” <http://publication.pravo.gov.ru/Document/View/0001202301240007>.

²² S.Res.623 – A Resolution Calling on the Secretary of State to Designate the Russian Federation as a State Sponsor of Terrorism,” *Congress.gov*, June 23, 2022, <https://www.congress.gov/bill/117th-congress/senate-resolution/623/text>.

²³ Russia Cyber Threat Overview and Advisories / Cybersecurity and Infrastructure Security Agency, <https://www.cisa.gov/uscert/russia>.

- Violating U.S. sanctions by selling oil to North Korea.²⁴

In addition to the examples given above, the Russian Federation:

- Pursued its geopolitical goals, becoming a party to various conflicts such as the Georgian civil war (1991-1993), the war in Abkhazia (1991-1993), the Transnistria war (1992), the civil war in Tajikistan (1992-1997), the first Chechen war (1994-1996), the war of Dagestan (1999), the second Chechen war (1999-2009), the war on Georgia (2008), the insurgency in the North Caucasus (2009-2017), and the ongoing Russian-Ukrainian War (2014-present). Many of these conflicts have been characterized by campaigns of terror targeting civilians, including attacks on markets, cultural, educational, and medical facilities, residential areas, and critical infrastructure (even nuclear power plants such as the Chernobyl and the Zaporizhstal Nuclear Power Plant in Ukraine);
- Directed the St. Petersburg-based Internet Research Agency (IRA) information warfare campaign aimed at spreading disinformation and sowing societal division in the European Union and the United States;²⁵
- Spread propaganda and populism and provided support to right-wing and pro-Russian political parties in European countries;²⁶
- Supported the Assad regime, Nicolás Maduro, and General Khalifa;
- Prosecuted, imprisoned, or assassinated opposition members, human rights defenders, and protestors (such as Politkovskaya, Magnitsky, Nemtsov, Navalny, Kara-Murza, and others) on the pretext of fighting terrorism, portraying itself as a victim of domestic terrorists.

Indeed, the recent “special military operation” launched by Russia on February 24, 2022, against Ukraine has had a profound impact on the world security architecture. Additionally, the threat to world food security posed by Russia’s actions, particularly the sabotage of the Grain Deal, is a cause for concern. This has sparked discussions regarding the classification of the actions of the Russian Federation not only in the current context but also dating back to the fall of the Soviet Union. The consideration of recognizing Russia as a state sponsor of terrorism raises numerous questions and could have significant implications for global policies if implemented.

²⁴ The Republican Study Committee’s Task Force on National Security and Foreign Affairs, *The RSC National Security Strategy: Strengthening America & Countering Global Threats*, https://mikejohnson.house.gov/uploadedfiles/nstf_report.pdf.

²⁵ Select Committee on Intelligence, United States Senate, *Report on Russian Active Measures, Campaigns and Interference in the 2016 U.S. Election*, Volume 2: Russia’s Use of Social Media with Additional Views, https://www.intelligence.senate.gov/sites/default/files/documents/Report_Volume2.pdf.

²⁶ Rosa Balfour et al., *Europe’s Troublemakers – The Populist Challenge to Foreign Policy* (European Policy Center, 2016), <https://www.epc.eu/en/Publications/EUROPES-TROUBLEMAKERS--The-p~257da8>.

To be designated as a state sponsor of terrorism, a country has to provide support for acts of international terrorism repeatedly.²⁷ The comparison of the criteria used by the U.S. Department of State to designate countries as state sponsors of terrorism with the actions of the Russian Federation clearly indicates that the RF meets the requirements for such a designation. However, the complexities of *realpolitik* mean that the question of whether Russia should be officially recognized as a state sponsor of terrorism does not have a straightforward answer.

Possible Implications of the Decision

The Russian Federation currently faces the highest number of sanctions worldwide, totaling about 2,700 from 2014 to 2022.²⁸ By the end of the first year of the full-scale invasion, the number of sanctions skyrocketed – 10,608 were imposed on individuals, 3,431 – on companies, and 492 – on institutions.²⁹ And yet, they do not seem to be enough to stop the aggression. Moreover, the unprecedented sanctions have not yet caused significant damage to the Russian economy. Its GDP is forecast to decline by 2.5 % in the worst-case scenario according to OECD or by 0.2 % according to the World Bank, while the IMF expects 0.7 % growth in 2023.³⁰ Some predictions even indicate that Russia may have the resources to restore its military potential within two to four years.³¹

When the discussion refueled in April 2022, State Department spokesman Ned Price commented, “The sanctions we have in place and have taken are the same steps that would be entailed by the designation of a state sponsor of terrorism.”³² To understand if that statement reflects the state of affairs, in this final part of the article, we will explore the categories of sanctions that result from the designation of a country as a state sponsor of terrorism: restrictions on

²⁷ Ingrid (Wuerth) Brunk, “How Congress Should Designate Russia a State Sponsor of Terrorism,” *Just Security*, September 27, 2022, <https://www.justsecurity.org/83263/how-congress-should-designate-russia-a-state-sponsor-of-terrorism/>.

²⁸ Nick Wadhams, “Russia Is Now the World’s Most-Sanctioned Nation,” *Bloomberg*, March 7, 2022, <https://www.bloomberg.com/news/articles/2022-03-07/russia-surges-past-iran-to-become-world-s-most-sanctioned-nation>.

²⁹ “Total Number of List-based Sanctions Imposed on Russia by Territories and Organizations Worldwide from February 22, 2022 to February 10, 2023, by Target,” *Statista*, 2023, <https://www.statista.com/statistics/1293531/western-sanctions-imposed-on-russia-by-target/>.

³⁰ “Impact of Sanctions on the Russian Economy,” *European Council*, Infographics, <https://www.consilium.europa.eu/en/infographics/impact-sanctions-russian-economy/>.

³¹ “Russia Can Rebuild Military in 2-4 Years: Estonia,” *The Defense Post*, October 19, 2022, <https://www.thedefensepost.com/2022/10/19/russia-rebuild-military>.

³² Christina Wilkie, “U.S. Is Taking ‘a Close Look’ at Whether to Label Russia a State Sponsor of Terrorism. Here’s What That Means,” *CNBC*, April 19, 2021, www.cnb.com/2022/04/19/us-is-taking-a-close-look-at-whether-to-label-russia-a-state-sponsor-of-terrorism-heres-what-that-means.html.

U.S. foreign assistance, a ban on defense exports and sales, certain controls over exports of dual-use items; and various financial and other restrictions. In this context, sanctions targeting both countries and individuals involved in certain trade activities with the designated states are particularly relevant.

Ban on Defense Exports and Sales and Controls over Exports of Dual-use Items

Since 2014, both the USA and the EU have tightened controls on items that could potentially be utilized by Russia's military sector. These items encompass a wide range of categories outlined in the Commerce Control List, including integrated circuits and semiconductors, telecommunications devices, parts and components used for avionics and maritime technology, lasers, and more.³³ However, this measure was somewhat formal, as dual-use items could still be permitted if claimed to be intended for civilian applications or users. Additionally, contracts signed before 2014 were allowed to be implemented, enabling Russian companies to effectively circumvent sanctions by amending existing contracts. The European Conventional Arms Export Council estimated that between 2015 and 2020, ten EU countries exported arms worth 346 million Euros to Russia.³⁴ After the liberation of Ukrainian territories, evidence has emerged indicating that items imported between the annexation of Crimea and the full-scale invasion were used for military purposes. The High Representative of the European Union for Foreign Affairs and Security Policy, Josep Borrell, highlighted that 45 percent of Russian technology relies on parts supplied from Europe. He further admitted that "a huge number of electronic components from European high-tech companies are found inside the Russian tanks hit in Ukraine."³⁵ Russian small warships are equipped with American thermal imaging cameras. Therefore, more restrictions were imposed in 2022. But they seem to be insufficient. A recent investigation revealed that Shaheds-136, produced after the

³³ Cortney O'Toole Morgan and Grant D. Leach, "New U.S. Sanctions and Export Controls Aim to Impose 'Devastating Costs' on Russia," *Husch Blackwell*, February 25, 2022, <https://www.huschblackwell.com/newsandinsights/new-us-sanctions-and-export-controls-aim-to-impose-devastating-costs-on-russia>.

³⁴ "About Reputational Losses for Companies that Followed Anti-Russian Sanctions 'with Eyes Wide Shut'," *RBK-Ukraine*, August 10, 2022, <https://daily.rbc.ua/ukr/show/reputatsionnyh-poteryah-kompaniy-kotorye-1660016641.html>.

³⁵ Viktoriya Vlasenko, "Borrell: EU Sanctions Weaken the Combat Capability of the Russian Army," *Deutsche Welle*, August 13, 2022, <https://www.dw.com/uk/borrel-uevroparlamenti-sankcii-es-poslabluut-boezdatnist-rosijskoi-armii/a-63109588>.

launch of the full-scale invasion, contain more than 30 Western-made components.³⁶ This situation “calls into question the effectiveness of sovereign export controls and corporate due diligence processes.”³⁷

It is worth noting that the current sanctions are not entirely ineffective. According to US officials, Uralvagonzavod Corporation and the Chelyabinsk Tractor Plant, Russia’s two major tank plants, have ceased production due to a shortage of foreign components. Additionally, almost 1,000 private sector companies and 200,000 Russians, many of whom possess high-level skills, have departed the country.³⁸

U.S. Foreign Assistance

Among the five categories of foreign aid—economic assistance, humanitarian aid, multilateral economic contributions, bilateral development aid, and military aid—military aid has not been provided to Russia since 2014. The scope of aid given to Russia in 2022 amounted to \$ 159.42 million, ranking it 32nd out of 172 countries in terms of recipients of U.S. assistance.³⁹ Health, energy, environment, business, government, and civil society were the main sectors receiving aid.

Since the collapse of the Soviet Union in 1991, the provision of foreign aid was perceived as an instrument to promote reforms and bolster democracy. However, as early as 1998, the Institute of Policy Studies evaluated the provision of such aid as ineffective, stating: “The privatization drive that was supposed to reap the fruits of the free market instead helped to create a system of tycoon capitalism run for the benefit of a corrupt political oligarchy that has appropriated hundreds of millions of dollars of Western aid and plundered Russia’s wealth.”⁴⁰ Moreover, with the adoption of the law on agents of foreign influence by the Russian Duma in 2022, the activities of organizations that advocate for democracy development and human rights protection have been significantly limited. During the deliberations on the law, Vyacheslav Volodin, Chairman of the State Duma, elucidated its purpose: “There was interference throughout the

³⁶ Olena Tregub, “Western Components Have no Place in Russia’s Arsenal,” *Financial Times*, February 8, 2023, <https://www.ft.com/content/18552d71-ab14-4b79-8721-c63ac30f1e1a>.

³⁷ “Terror in the Details: Western-made Components in Russia’s Shahed-136 Attacks,” International Partnership for Human Rights, Independent Anti-Corruption Commission, Truth Hounds, & Global Diligence, 2023, <https://stories.iphronline.org/terror-in-the-details/index.html>.

³⁸ “Fact Sheet: United States and G7 Partners Impose Severe Costs for Putin’s War against Ukraine,” *The White House*, May 8, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/08/fact-sheet-united-states-and-g7-partners-impose-severe-costs-for-putins-war-against-ukraine/>.

³⁹ “US Foreign Aid by Country 2022,” <https://worldpopulationreview.com/country-rankings/us-foreign-aid-by-country>.

⁴⁰ Janine R. Wedel, “Aid to Russia,” *Institute of Policy Studies*, September 1, 1998, https://ips-dc.org/aid_to_russia/.

entire existence of the Russian Empire, the Soviet Union and the Russian Federation. We feel this interference of the US, England and other European states even today. Every country must defend itself if it is thinking about its future.”⁴¹

Though it is hard to argue that supporting pro-democratic and pro-human rights organizations on the territory of Russia is important, the results of the last three decades of providing aid gave almost no results, especially in comparison to the democratic developments in Ukraine. RF turned into a totalitarian country; it seems that the societal demand for democratization is not sufficient for changes that will turn Russia into a part of the civilized world.⁴² The level of support for Crimea annexation⁴³ and the lack of significant Russian anti-war movement on the territory of Russia and abroad signal deep societal problems.⁴⁴ Western hopes that problems will vanish with the demise of the current leader may prove unfounded. Therefore, providing aid primarily strengthens the dictatorship rather than serving any other purpose, and it certainly does not align with the interests of the US and American taxpayers.

Miscellaneous Financial and Other Restrictions

It is worth noting that the questionable use of provided aid extends to international support, including IMF aid packages. When Russia announced a technical default in 1998 and expected an \$ 11.2 billion aid package from the IMF, Veniamin Sokolov, head of the Chamber of Accounts of the Russian Federation, who had investigated the use of previous financial assistance from international lending institutions and aid organizations, emphasized: “All loans made to Russia go to speculative financial markets and have no effect whatsoever on the national economy.”⁴⁵

The US has already prohibited its citizens from providing management consulting services to any person or corporate entity in Russia. These services are seen as tools for enriching Russian elites and fueling the Kremlin’s war machine, as well as evading sanctions. Banning several Russian banks from SWIFT while allowing major players like Sberbank and Gazprombank to continue operations due to their role in handling gas and oil exports, sends a powerful message. If

⁴¹ “How Will the New Law on Foreign Agents Work,” *State Duma*, June 29, 2022, <http://duma.gov.ru/news/54760/>.

⁴² Elena Davlikanova and Lyubov Sobol, “The Democratization of Russia: A Fantasy?” *Center for European Policy Analysis*, September 9, 2023, <https://cepa.org/article/the-democratization-of-russia-a-fantasy/>.

⁴³ Denis Volkov and Andrei Kolesnikov, “My Country, Right or Wrong: Russian Public Opinion on Ukraine,” *Carnegie Endowment for International Peace*, September 7, 2022, <https://carnegieendowment.org/2022/09/07/my-country-right-or-wrong-russian-public-opinion-on-ukraine-pub-87803>.

⁴⁴ Marika Semenenko, “Why Aren’t Russians Abroad Doing More to Protest the War?” *The Moscow Times*, May 31, 2023, <https://www.themoscowtimes.com/2023/01/12/why-arent-russians-abroad-doing-more-to-protest-the-war-2-a79899>.

⁴⁵ “Fact Sheet: United States and G7 Partners Impose Severe Costs for Putin’s War Against Ukraine.”

Russia is designated as a state sponsor of terrorism, it will be included in the blacklist of the Financial Action Task Force, potentially leading to undermining and isolating the entire Russian banking system.

The US has imposed new restrictions on a broad range of inputs and products from Russia, including wood products, industrial engines, and various other items with industrial and commercial applications. Companies producing weapons in Russia and shipping companies have also faced sanctions. Individual sanctions have targeted representatives of Russian elites and their families, military officials, propagandists, and those known for human rights violations.⁴⁶

In addition, as reported by the Minister of Justice of Ukraine, Denys Maliuska, a political agreement with Western partners has been reached to transfer \$ 300 billion of Russia's gold and foreign exchange reserves, which were sanctioned and frozen in the West, to Ukraine. Furthermore, the EU has frozen around € 20 billion of assets belonging to more than 1,500 sanctioned persons and entities, which is believed to provide significant leverage in future negotiations with Russia. An unprecedented legal mechanism should be developed to allocate them to the needs of Ukraine.⁴⁷ However, the recognition of Russia as a state sponsor of terrorism may create obstacles to transferring frozen funds and assets to Ukraine, as discussed below.

Sanctions against Countries and Individuals for Engaging in Certain Trade with the Designated States

Some argue that Russia is "by no means an economic superpower and brings nothing to the global economy."⁴⁸ Still, in 2023, Russia remains the 11th largest economy globally, with a GDP of 2.06 trillion USD.⁴⁹ Russia's monthly exports averaged \$ 24.43 billion from 1994 until 2023, reaching an all-time record of \$ 57.9 billion in December 2021.⁵⁰ The Russian economy is heavily reliant on exports of commodities, with revenues from sales of crude oil, petroleum products, and natural gas accounting for about half of Russia's federal budget. Russia's main exports include fuels and energy products (over 50%), metals (10%), machinery and equipment (7.4%), chemical products (7.4%), and foodstuffs and

⁴⁶ "Fact Sheet: United States and G7 Partners Impose Severe Costs for Putin's War Against Ukraine."

⁴⁷ "Denys Maliuska: West Is Ready to Give Russia's Gold and Foreign Exchange Reserves to Ukraine, but There Are Nuances," *The Odessa Journal*, September 12, 2022, <https://odessa-journal.com/denys-maliuska-west-is-ready-to-give-russias-gold-and-foreign-exchange-reserves-to-ukraine-but-there-are-nuances/>.

⁴⁸ Jeffrey Sonnenfeld and Steven Tian, "Why Is the IMF Pushing Putin's Economic Propaganda?" *Time*, April 11, 2023, <https://time.com/6270540/imf-pushing-putins-economic-propaganda/>.

⁴⁹ Sophie Ireland, "Economy Rankings: Largest Countries by GDP, 2023," *CEO World Magazine*, 2023, <https://ceoworld.biz/2023/08/25/economy-rankings-largest-countries-by-gdp-2023/>.

⁵⁰ "Russia Exports," *Trading Economics*, 2023, <https://tradingeconomics.com/russia/exports>.

agricultural products (5 %).⁵¹ Russia's main export partners are China, Germany, the Netherlands, Italy, Turkey, and Japan. Since 2022, several countries have increased their trade with Russia, including India, Greece, Turkey, Slovenia, Bulgaria, Brazil, China, Austria, and Belgium.⁵²

Fossil fuel exports are considered a major enabler of the military buildup and aggressive actions of the Russian Federation against Ukraine. This is why an embargo on energy resources, among other sanctions, is being actively promoted by Ukrainian leadership and diplomats.⁵³ The growth of the Russian economy in the 2000s did not result from successful political and economic reforms but rather from the rapid rise in oil prices from \$ 12/barrel in 1998 to \$ 27.3 in 2003, and nearly \$ 150 by mid-2008. According to EBRD Chief Economist Sergey Guryev, this surge in oil prices accounted for one-third to one-half of Russia's growth rates. Every crisis that the Russian economy has faced—1998, 2008, 2014, 2020—has led to an increased reliance on the raw material sector.⁵⁴ Even now, as the volume of oil exports shrinks, rising prices allow Russia to mitigate the impact of pressure. According to Russian economist Sergey Aleksashenko, the Russian economy is structured in such a way that it critically depends on the export of oil and oil products, with less reliance on gas. Therefore, if the export of oil and oil products from Russia is not limited, the Russian economy will not be seriously harmed,⁵⁵ even with a price cap mechanism in place.⁵⁶ As the US is not dependent on Russian energy resources, it has already banned the import of Russian oil, gas, and coal.

Overall, any sanctions imposed by the West are expected to cause less harm to the countries imposing them than to the country being sanctioned. In the case of the current energy war, the outcome of the confrontation is still unclear, as

⁵¹ "Russia Exports."

⁵² Josh Lipsky and Niels Graham, "China Is Trading More with Russia – but so Are Many US Allies and Partners," *Atlantic Council*, May 30, 2023, www.atlanticcouncil.org/blogs/new-atlanticist/china-is-trading-more-with-russia-but-so-are-many-us-allies-and-partners/.

⁵³ "Press Briefing by Press Secretary Karine Jean-Pierre and Commerce Secretary Gina Raimondo," *The White House*, September 6, 2022, <https://www.whitehouse.gov/briefing-room/press-briefings/2022/09/06/press-briefing-by-press-secretary-karine-jean-pierre-and-commerce-secretary-gina-raimondo/>.

⁵⁴ Elizaveta Bazanova, "Why Has Russia Not Moved from Stagnation to Development in 20 Years?" *Vedomosti*, October 8, 2019, <https://www.vedomosti.ru/economics/articles/2019/10/08/813068-20-let-stagnatsii>.

⁵⁵ Dmitriy Kozhurin, "'Putin Tactically Solves a Small Problem, but Strategically Creates a Huge Catastrophe.' Economist Aleksashenko on the Future of the Russian Economy," *Nastoyashcheye Vremia*, September 12, 2022, <https://www.currenttime.tv/a/putin-takticheski-reshaet-malenkuyu-zadachu-no-strategicheski-sozdayut-ogromnuyu-katastrofu-ekonomist-aleksashenko/32027675.html>.

⁵⁶ "The Price Cap on Russian Oil: A Progress Report," *US Department of the Treasury*, May 18, 2023, <https://home.treasury.gov/news/featured-stories/the-price-cap-on-russian-oil-a-progress-report>.

the world is not yet prepared to completely reject oil exports from Russia, especially within the next 15 years, given the current pace of green energy transformation. Currently, Russia satisfies one-sixth of the global demand for oil. In just the first six months after the launch of the full-scale invasion, the EU alone paid Russia more than 90 billion Euro for energy resources, which included 51 billion for oil, 37 billion for gas, and around 3 billion for coal.⁵⁷ Economists are already indicating that sanctions may trigger a recession in the EU, exacerbating its own economic challenges while it provides financial, military, and humanitarian aid to Ukraine and supports over seven million Ukrainian refugees.⁵⁸ Reports of evasion of the introduced Russian oil price cap⁵⁹ and other sanctions have already emerged.⁶⁰

On top of that, the presence of international companies in Russia is viewed by Ukrainians as latent support for Russia's terrorism, as these companies pay taxes to the Russian budget, provide salaries to employees, and stimulate the economy overall. In 2022, foreign businesses paid taxes to the Russian budget totaling \$ 24.37 billion. While some global companies have exited the Russian market since early 2022, often incurring significant losses, more than 1,000 foreign companies continue their operations and contribute to Russia's federal budget, prolonging the war in Ukraine and increasing the number of its victims.⁶¹ Moreover, some experts note that the current significant military losses in Ukraine may not deter Russia's ambitions regarding the restoration of the Soviet Union's sphere of influence, posing a continued threat to NATO countries.⁶²

⁵⁷ "Financing Putin's War: Fossil Fuel Imports from Russia During the Invasion of Ukraine," *Centre for Research on Energy and Clean Air (CREA)*, <https://energyandcleanair.org/financing-putins-war/>.

⁵⁸ "The UN Refugee Agency: Ukraine," September 7, 2022, <https://data.unhcr.org/en/situations/ukraine>.

⁵⁹ The Department of the Treasury's Office of Foreign Assets Control (OFAC) has published an alert, "Possible Evasion of the Russian Oil Price Cap," *US Department of the Treasury*, April 17, 2023, <https://ofac.treasury.gov/recent-actions/20230417>.

⁶⁰ "Global Advisory on Russian Sanctions Evasion Issued Jointly by the Multilateral REPO Task Force," *US Department of the Treasury*, March 9, 2023, https://home.treasury.gov/system/files/136/REPO_Joint_Advisory.pdf.

⁶¹ Olena Davlikanova, Iryna Lylyk, and N. Savytska, "Civil Society Influence on the Behavior with Regards to Russia's Full-Scale Invasion in Ukraine" (Kyiv: Friedrich Ebert Foundation, 2023), https://www.researchgate.net/publication/374166337_civil_society_influence_on_the_companies_behavior_with_regards_to_russia_s_full-scale_invasion_in_ukraine.

⁶² Robbie Gramer and Jack Detsch, "Russia Is Already Looking Beyond Ukraine: Moscow's Massive Losses May Not Neutralize Its Threat to NATO Countries," *Foreign Policy*, May 22, 2023, <https://foreignpolicy.com/2023/05/22/russia-nato-beyond-ukraine-estonia-baltic-eastern-flank-military-threat/>.

Instead of Conclusions

Our analysis demonstrates that the Russian Federation formally meets the criteria to join the “club of villains.” The presented analysis of the actions of the Russian Federation since the fall of the Soviet Union makes a compelling case for its designation as a state sponsor of terrorism. It outlines specific criteria such as provision of support to terrorist groups, sheltering terrorists, facilitation of plots, offensive cyber attacks, collaboration with designated state sponsors of terror, and use of proxy groups. The evidence presented includes support for groups like the Wagner Group, Hezbollah, Iranian Islamic Revolutionary Guard Corps, and the Taliban, as well as involvement in numerous conflicts and acts of terror, including those in Ukraine. This support involves the provision of financial aid and weapons and facilitation of terrorist activities, extending to various conflict zones such as Syria, Libya, the Central African Republic, Mali, Sudan, Madagascar, Venezuela, Mozambique, and, notably, Ukraine. The Russian Federation has been implicated in backing separatists involved in violence against Ukrainian civilians and supplying illegal armed groups with heavy weaponry. Additionally, it has been involved in cyberattacks and offensive activities against foreign governments, as well as assassinations and murder attempts on foreign soil.

However, political considerations currently prevent the US from including the Russian Federation on the list of the US Department of State. We will present the analysis of the pros and cons arguments in a separate article. In short, designating Russia as a state sponsor of terrorism carries several potential benefits, including acting as a deterrent, increasing international pressure, and making a symbolic statement against authoritarian regimes. This move could discourage further aggression and disrupt Russia’s strategies for reshaping the global order. It may also impede Russia’s economic capacity for military investments, serving as a symbolic stance against rising autocracies worldwide.

However, there are downsides to such a designation. It could escalate tensions, harm relationships with U.S. allies, and have adverse effects on the global economy. Terminating diplomatic relations with a major nuclear power might result in unpredictable consequences, impacting nuclear non-proliferation efforts and global food and energy security. Additionally, there’s a risk of eroding frozen assets intended for Ukraine’s reconstruction. Critics argue that while designation might pose a significant hurdle, it might not compel Russia to halt the ongoing war. Moreover, the delisting process in the future would demand evidence of changed behavior and public support.

Overall, Russia’s heightened diplomatic and economic isolation can be seen as an investment not only in Ukraine’s long-term security but also in American and global security for generations to come.⁶³

⁶³ Michael D. Shear and Karoun Demirjian, “Biden Requests \$105 Billion Aid Package for Israel, Ukraine and Other Crises,” *The New York Times*, October 20, 2023, <https://www.nytimes.com/2023/10/20/us/politics/biden-aid-israel-ukraine-taiwan-border.html>.

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