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What Do Energy Sanctions Say About the World?

Aurélie Bros

Statecraft is often understood as the art of conducting state affairs in order to exert a direct influence on other actors in the international system in order to get them to do what they would not do otherwise. To achieve their goals, policymakers are able to employ a variety of levers such as diplomacy, propaganda, military statecraft, and economic statecraft. According to Elizabeth Ellis of the Inter-Disciplinary Ethics Applied Centre of the University of Leeds, the latter category encompasses all economic means—including recourse to economic sanctions—that might be used by international actors with the intention of (i) preventing objectionable policy or behavior, (ii) sending a message, or (iii) punishing unlawful policy or behavior.

Princeton University's David A. Baldwin wrote in 1985 that economic sanctions are divided into two main categories: those with a punitive function and those aimed at encouraging or rewarding. He also noted that they impact trade (e.g. embargo, quotas, and (un)favorable tariff discriminations) as well as capital (e.g. aid suspension, controls on imports or exports, and (dis)advantageous taxation), and that they can be used wisely or unwisely, justly or unjustly, depending on the situation at hand.

Although economic sanctions have a long history, with origins in Antiquity, they are unequally distributed over time. For example, their use greatly increased during the post-World War II era, especially in the energy sector. This increasing use of energy sanctions has been particularly noticeable since the early 1970s. Over the past several decades, they have essentially become a way for energy producers and consumers to exert disapproval over one another and to weaken those considered to be morally responsible for objectionable policies (not always related to energy issues). Energy sanctions, therefore, are often paired with non-energy economic sanctions targeting a large array of goods and services. For example, an oil embargo can take place in tandem with nuclear-related sanctions aimed at stopping military use of civilian nuclear power technology—as in the Iranian case.

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Energy sanctions are always deeply rooted in a wider political and economic environment, reflecting the global order of their time. This essay will focus mainly on the bipolar international system led by the United States and the Soviet Union between 1947 and 1991, which was followed by a post-Cold War international system in which the United States assumed the role of the world's leading power, supported by Western-dominated organizations. Nevertheless, this unipolar, rules-based order is now under pressure, perhaps even duress—some argue it is coming to an end. Certainly, its geopolitical underpinnings have dramatically changed, as rising powers seek to recalibrate their respective voices in order to rewrite global rules that, they assert (with at least some justification), they did not have much of a hand in designing. In such a changing environment, the mechanisms, the achievements, and the moral permissibility related to energy sanctions—in addition to their enormous and long-lasting resulting pain that goes well beyond the economic sphere—have come under increasing criticism in different parts of the world.

This essay will explore the system established during the 20th century that legitimized (in certain cases) the use of energy sanctions, as well as the partial loss of their efficiency and legitimacy caused by a progressive shift towards a polycentric global order. Since oil and gas-related sanctions constitute the majority of energy sanctions, these two resources will stand at the heart of the analysis.

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The first part of the essay looks at the origins of economic sanctions and the progressive establishment of a world order wherein certain nations decided to make use of them. The second part analyses the sudden rise in importance of oil and gas in foreign policymaking and the unfolding tugs-of-war between consuming and/or producing countries. Understanding the historic and significant role of the United States, the Russian Federation, and relevant Middle East states forms an important part of this analysis. The third and final section scrutinizes the scope and characteristics of energy sanctions nowadays, noting that these are being called into question due to the rise of new great powers in an international context characterized, *inter alia*, by a rising awareness of the perils of climate change.

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Rise of Economic Statecraft

In the aftermath of World War I, the major Allied Powers advocated a higher use of economic statecraft that encompassed coercive policy tools, such as economic sanctions, in the hope that recourse to military statecraft could be prevented. U.S. President Woodrow Wilson became one of the main architects of economic sanctions. By promoting the League of Nations, he endowed the first intergovernmental organization with the mission to maintain peace in the world and the right to enforce economic sanctions against those that break the rules.

Secondly, he supported a system in which Western countries took center stage in the exercise of power. This saw the "Principal Allied and Associated Powers" of the Versailles Treaty—which included the original text of the Covenant of the League of Nations—namely "the British Empire, France, Italy, and Japan," (the United States was also listed but famously did not ratify the treaty, notwithstanding Wilson's support, and was thus never a member of the League) becoming permanent members of the now all-but-forgotten League Council, a type of executive body directing the organization's business whose main function was to settle international disputes. Finally, during Wilson's address at the Coliseum at the State Fair Grounds in Indianapolis in September 1919, he framed a narrative that emphasized economic sanctions (his term: "absolute economic boycott") as the League's "central machinery," portraying it as a more humane and peaceful alternative to war as well as a means of deterring aggression.

To some extent, the system promoted by Wilson was a source of inspiration after World War II. The United Nations became the new principal international organization, whose first enumerated purpose was to "maintain international peace and security." It enshrined economic sanctions, while the Security Council—whose five permanent members were China, France, the Soviet Union (later Russia), the United Kingdom, and the United States—centralized the act of decisionmaking. Owing to the increasingly total nature of warfare, economic sanctions aroused interest because they were perceived by sanctioning states as a lower-cost and lower-risk course of action. This also confirmed the overwhelmingly Western-character of the exercise of power, and above all, led to the concentration of power in the hands of the world's two superpowers: the United States and the Soviet Union.

In the environment of the Cold War, where the prospect of all-out nuclear war had inhibited the main powers in using military statecraft against one another whilst allowing client states to do so (e.g. Vietnam, Afghanistan), economic sanctions became an attractive option. In Soviet eyes, this kind of sanction made it possible to tighten the stranglehold over the sphere of influence of the USSR via (un)profitable quotas, embargos, and price-fixing. To some extent, this can be described as a stick-and-carrot approach, which gave Moscow room for maneuver since each positive sanction was a fertile ground for subsequent negative sanctions that could be introduced on a whim. Outside of this territory, Moscow enjoyed a more limited set of measures due to the structural problems of the Soviet command economy that had worsened over time and prevented the economic system to compete effectively on the global stage. In other words, imposing effective economic sanctions on Western nations was no easy task.

The situation was fairly different in the United States. The reason was as follows: in the aftermath of World War II, Washington controlled two-thirds of the world's gold reserves and was the sole power whose economy had escaped the conflict relatively unscathed.

Furthermore, the conclusion of the Bretton Woods Agreement in July 1944 and the establishment of its institutions (the International Monetary Fund and what became the World Bank Group) strengthened the central role of the U.S. currency. Progressively, America tightened its influence over the economy of other countries by cementing the role of the U.S. dollar as the world's reserve currency, and thus as the world's leading currency. Last but not least, the country rapidly became an undisputed technological and commercial power due to its capacity to create, develop, and deploy new technologies. Such a privileged situation allowed the United States to impose stringent and sometimes long-lived economic sanctions against the Soviet Union (later Russia) and its allies, third countries, and even its own allies, such as when France, Israel, and the UK concerted to invade Egypt in 1956 in the wake of the nationalization of the Suez Canal.

In the immediate post-Cold War period, the United States became the unchallenged superpower: in the famous terminology provided by Charles Krauthammer, during what he called the "unipolar moment," the United States enjoyed total hegemony. Since the collapse of the Soviet Union, sanctions have become the dominant tool of statecraft of the United States and its European allies. (This has sometimes been authorized by the UN Security Council, which means that in some instances sanctions have been endorsed by both China and Russia as representing acceptable—that is to say, legitimate—tools of contemporary statecraft.)

American political scientist Jonathan Kirshner lists four reasons for this development: *first*, multiplying tensions and/or conflicts between participants in the former anti-Soviet alliance; *second*, an increasing number of market economies vulnerable to economic statecraft; *third*, refusal of some great powers' practice to resort to force in some cases (e.g. Germany); and *fourth*, using sanctions as "an early method to influence in a conflict."

This shows that a policy of economic sanctions remains a privilege enjoyed by a handful of countries.

Energy Sanctions Emerge

The oil industry as we know it today was born in the mid-nineteenth century in Azerbaijan and the United States. "Particularly around Baku, technological advancements helped to power petroleum's viability," as historian Brian C. Black puts it in

Crude Reality: Petroleum in World History (2012). Despite the progressive transformation in mobility of people and goods via the invention of the automobile, oil had limited commercial uses. This natural resource truly became a strategic commodity on the eve of World War I when the American and British navies converted from coal to oil-use in order to increase warfighting capability, as Black explains. Unsurprisingly, other powers followed suit. In historian Daniel Yergin's classic book, *The Prize: The Epic Quest for Oil, Money, and Power* (1991), the author notes that the control of oil had been a key factor in determining the victors of World War II, adding that the conflict buttressed the strategic nature of oil. It became an indispensable material for lubricating machineries and guns, manufacturing synthetic rubber for use as tires for airplanes or jeeps, laying runways, and so on. The list goes on.

An expanding use of this resource in the military sector coupled with a ravenous oil appetite to fuel post-war recovery led to the need to secure physical access to oil resources. As the world's leading oil producer at the end of World War II, the United States could count on sufficiently high domestic oil production to supply its domestic market. But the increasing western European need for oil immediately began raising concerns in Washington. On the one hand, Americans feared that skyrocketing demand in western Europe would cause supplies at home to reduce. On the other hand, the Americans feared the possibility of western European countries signing agreements with the energy-rich Soviet Union. After all, at that time, the USSR was a leading hydrocarbon producer and was supplying oil and natural gas to its satellites in central and eastern Europe.

As a result of this context, the Middle East generated increasing interest from outside powers for its oil, which was uniquely plentiful and easy to produce. For example, on his way back from the February 1945 Yalta Conference with Stalin and Churchill, having only weeks to live, U.S. President Franklin D. Roosevelt famously initiated a strategic alliance with the founder of Saudi Arabia, King Abdulaziz ibn Saud, during a secret meeting held onboard the USS Quincy anchored in the Suez Canal.

This led to the establishment of what came to be known as the "petrodollar," which saw U.S. dollars paid to oil-exporting countries in exchange for oil. This was made possible thanks to the aforementioned Bretton Wood Agreement. According to

Georgetown University's David S. Painter, this agreement led to the establishment of a system whereby American oil companies began to invest heavily in that part of the world to supply America's western European allies, which in turn indirectly supported the internationalization of these companies whilst establishing American preeminence in the postwar international system. The two main beneficiaries of this were Standard Oil (later Exxon)—in 1948 it gained a 30 percent stake in the Arabian-American Oil Company (Aramco, later changed to Saudi Aramco)—and of course the Kingdom Saudi Arabia itself.

The Middle East's oil-producing countries grew more richer and their respective shares in world hydrocarbon production continued to increase. Nevertheless, control over exports and marketing of oil and gas remained under the control of Western international oil companies. Naturally, over time these countries sought to gain greater control over their own resources, as related in some detail by Peter Mansfield and Nicolas Pelham in their book, *A History of the Middle East* (1991). Iranian prime minister Mohammad Mossadegh's attempt to get rid of British influence and nationalize his country's oil industry so as to regain sovereignty over the development of its natural resources in the early 1950s constituted the first, although unsuccessful, try.

While the Middle East progressively became the biggest non-communist oil exporter (with the Persian Gulf states collectively leading the way, headed of course by Saudi Arabia), the United States made access to oil reserves the pillar of its foreign policy due to the West's rising dependence on hydrocarbons extracted from that region. In order to contain various Soviet political breakthroughs in the region in the wake of the Suez Crisis, U.S. President Dwight D. Eisenhower in early January 1957 proclaimed American readiness to provide military and economic aid to any government in the "general area of the Middle East" that needed help in resisting "international communism." This came to known as the Eisenhower Doctrine and represents a milestone in U.S. foreign policy in that it not only expanded the geographic scope of containment but also declared that policy to be, henceforth, a means of securing access to, as he put it, "petroleum products."

In 1959, Western international oil companies cut crude oil prices in Venezuela and the Arab oil producing countries without consulting the host governments. Understandably, this caused an uproar and took a heavy toll on relations between the Middle East and the West. It also led to the creation of the Organization of Petroleum Exporting Countries (OPEC) the following year. The members of the newly-formed cartel viewed the acquisition of knowledge and experience in the oil and gas industry of paramount importance. It was, after all, a means of reducing their dependence on the West. Soon thereafter, Arab countries followed the Iranian example and started establishing national oil companies with the aim of establishing cooperative relations with Western international oil companies. Slowly but surely, they succeeded in turning the oil market in their favor. OPEC managed to influence the international price of oil by raising or lowering production levels. This placed significant responsibility on Saudi Arabia due to the fact that the kingdom was responsible for a significant proportion of the OPEC's output and had spare capacity.

In 1973, OPEC wielded its power even further by initiating an oil embargo against a number of Western countries—including the U.S., the UK, Canada, The Netherlands, and Japan (but not France or West Germany, although of course they too felt its effects)—identified as supportive of Israel in the Yom Kippur War against Syria and Egypt. By doing so, the cartel showed the world that it could use its control over oil production to influence a political agenda. Oil prices skyrocketed (by the time the embargo was lifted in March 1974, the global price of oil had risen nearly 300 percent).

In response to this situation, Western countries initiated a project to diversify oil import sources (e.g., the North Sea), and natural gas turned out to be a serious alternative to oil, notably in western Europe. The decrease in oil output in the wake of the 1979 Iranian Revolution reinforced this trend and brought energy efficiency to the fore. Increasing concerns about the West's high dependence on Middle East oil and gas also led to the development of new hydrocarbons extraction methods—including fracking in the United States—in an attempt to achieve greater energy independence. However, it also pushed several western Europe countries towards the Soviet Union. The USSR's oil and gas imports contracts multiplied from the 1970s onwards and led to serious tensions inside the Western bloc (more on this below).

The dissolution of the Soviet Union in 1991 left the United States standing as the world's sole superpower. Soon non-OPEC countries, starting with the

Russian Federation, seized the opportunity to challenge the supremacy of oil-producing countries from the Middle East. Russia tried to reinforce its position on the European market by increasing exports, multiplying its export corridors (including by bypassing former-Soviet republics like Ukraine), and penetrating the natural gas value chain. It also started to acquire shares in the Asian market, where energy demand was booming and prices were skyrocketing, as well as by attempting to supply gas to the U.S. market—this option remained wishful thinking—through new gas fields such as the Shtokmanovskoye field located in the Barents Sea.

What has come to be known as the "shale revolution" (leading to an increase in oil and gas production) combined with a gradual shift towards low-carbon sources and renewables supported by the Obama Administration constituted a game-changer: the United States was on its way to self-sufficiency and thereby stood to increase its national stability in a volatile global economy. When Donald Trump came into the White House in January 2017, the United States stood on the cusp of energy independence. According to the U.S. Energy Information Administration, the country became the world's largest natural gas producer in 2011 (surpassing Russia) and the world's largest oil producer in 2018 (surpassing Saudi Arabia). By putting forward the concept of energy dominance, the Trump Administration transformed the United States into a global energy superpower. This strategy accorded with the "America First" doctrine—a pullback strategy of sorts, reflecting decreasing American tolerance for the global role the United States embraced after World War II (without considering the likely consequences).

Donald Trump was a one-term U.S. president. The November 2020 election of his successor, Joe Biden, has been saluted as a return to "rules-based international order," especially by America's European allies. When it comes to energy, however, Biden has continued his predecessor's strategy of making America self-sufficient through the reduction of hydrocarbon imports. On the other hand, Biden differs from Trump in having launched initiatives to reboot—in a fairly unique way—the role of the United States in fighting climate change. In addition to defining objectives aimed at lowering American greenhouse gas emissions and encouraging research support into cutting-edge technologies, Biden's proposed infrastructure plan could (i) strengthen U.S. energy security, (ii) increase social justice, and (iii)

revive the economy in a post-pandemic world. In other words, Biden is embarking on a modernization drive that ought, ultimately, to allow his country to remain a great energy power, in both hard and soft power terms.

Rebalance of Power

The global rebalance of power has had at least three consequences on the use of energy sanctions. In the context of the Middle East, this has manifested itself as a loss of efficiency rather than a loss of legitimacy. In the Russian context, the country's influence is decreasing but remains solid in the post-Soviet space. Lastly, the end of the "unipolar moment" has resulted in a loss of legitimacy in the new world order for the West. Each of the three consequences will be examined in turn.

First, the Middle East. As noted above, OPEC had recourse to what was called the "oil weapon" time and again in decades past. Each embargo and cut in production produced fears of shortages in industrialized countries and led to an increase in the price of oil. In a sense, energy sanctions had their expected impact, but this turned out to be a double-edged sword. One of the main downside effects of OPEC's success in wielding this "weapon" was the demonization of its member countries in the Western media. This led to widespread hostility and resentment and nourished the idea of "oil blackmail." In such an environment, diversification and energy efficiency policies gained in importance in Western countries. For example, the American quest for energy independence needs to be understood as a means to draw a line under the country's dependence on Middle East hydrocarbons.

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Furthermore, diversification was all the more crucial because of the recurrent use of military statecraft against energy infrastructure during armed conflicts. Two striking examples include the Iraq-Iran war during the 1980s and the First Gulf War, when Iraqi forces set fire to Kuwaiti oil fields after Baghdad's invasion of the country.

Over the past few decades, we have observed a progressive loss of power of OPEC, which consequently makes the use of sanctions implemented by the cartel less effective, if not

unnecessary. Since the 2014 drop in global oil prices, the cartel, led by Saudi Arabia, has placed particular emphasis on keeping control of oil prices in a bid to counterbalance American and Russian influence over prices. Implementing sanctions against consuming countries has not been on the agenda for quite a while. Rather, the past few years have witnessed a greater focus on market forces.

Second, Russia. Following the collapse of the USSR, the Russian Federation inherited the former Soviet Union's energy obligations, including those related to trade in the energy sector. Former Soviet republics as well as former satellite states inherited a high dependence on Russian energy. In the late 1990s, a large majority of former COMECON countries, plus the Baltic states, sought to align their oil and gas contracts with western European standards (this included switching from cost-plus pricing to net-back replacement value gas pricing with oil-product indexation). It was perceived as a safeguard against the aforementioned stick-and-carrot policy—i.e., (un) profitable quotas, embargos, and price fixing that can be changed on a whim. This pivot towards the West was always accompanied by membership applications to NATO or the European Union (or both) in a bid to gain protection against any kind of Russian military and economic statecraft.

The stick-and-carrot policy led to mixed reactions in other post-Soviet republics like Belarus and Ukraine, but also in the three South Caucasus and five Central Asia states—what the editors of *Baku Dialogues* identify as the core of the Silk Road region—that emerged from the breakup of the Soviet Union. After achieving independence, most of the former Soviet republics signed economic agreements with the Russian Federation, which also included security issues (a legacy of the Soviet system). By doing so, they maintained the combination of positive and negative sanctions.

Numerous energy crises unfolded from this imbroglio. The April 2010 Agreement between Ukraine and Russia on the Black Sea Fleet in Ukraine (commonly known as the Kharkiv Accords) is a prime example. The context goes back to May 1997, when Ukraine and Russia signed a partition treaty allowing the Russian Black Sea Fleet to stay in Sevastopol until 2017. After long and arduous negotiations, Moscow and Kyiv came to an agreement in 2010: the Russian fleet would stay in Crimea until 2042, with a possible five-year extension. In return, Ukraine would benefit from a significant discount on

the price of Russian gas. After the annexation of the peninsula by Russia in 2014, Russia cancelled the Kharkiv Accords, which immediately led to a spiraling increase in gas prices in Ukraine. Since then, Kyiv has acted in a way so as to protect itself against Russian influence: furthering its rapprochement with the West while applying European energy regulations.

Other former Soviet republics took a decision to maintain their respective links with Russia. Here we can list Armenia, Belarus, Kazakhstan, and Kyrgyzstan, all of which joined the Eurasian Economic Union in 2014 or 2015. A regional energy market began to take shape under the auspices of this economic union. However, negotiations have been arduous for although Moscow has been keen to abolish some positive sanctions that were considered too expensive for the Russian budget, other members of this union supported such sanctions. Though positive sanctions can be disruptive over a long period of time because they are the basis for negative sanctions, they can also be financially attractive in the short term.

The future of energy sanctions in post-Soviet states largely depends on the desire of these nations to maintain economic, political, and military relations with the Russian Federation.

In conclusion, the future of energy sanctions in post-Soviet states largely depends on the desire of these nations to maintain economic, political, and military relations with the Russian Federation. Quite often, the politico-economic emancipation of these countries is at the very heart of the emancipation process from Moscow's influence and energy issues are just a part of the whole picture, as described *inter alia* by Morena Skalamera in a 2018 article published by *Insight Turkey* and Margarita Balmaceda in her 2015 book *The Politics of Energy Dependency*. Answers have been varied, as recently observed in Belarus, but the reactions each time feed resentments and expose Moscow to the same realities that Middle-Eastern oil producing countries are facing: diversification and energy efficiency policies, and a tarnished image—especially in the West—with major political consequences.

Lastly, the end of the "unipolar moment" and the resulting loss of legitimacy has obviously also had an impact on the West with

respect to the use of energy sanctions. In recent years, the number of studies dedicated to analyzing the consequences of economic sanctions and illustrating their effects on sanctioned countries has grown significantly. The main conclusions of these studies have undermined the narrative—which had been mainly forged by the West during the 20th century—that legitimized their use. Economic sanctions, including energy sanctions, have often shifted the burden of harm from targeted states to civilians. In a 2016 article entitled "Ethics, International Affairs and Western Double Standards," former UN Assistant-Secretary-General Ramesh Thakur listed the three main side-effects of sanctions on civilians: premature deaths, food insecurity, and lack of medicines and medical equipment. Such facts have resulted in sharp criticism towards the use of economic statecraft by Western countries to achieve foreign policy objectives.

Economic sanctions, including energy sanctions, have often shifted the burden of harm from targeted states to civilians.

Energy sanctions also give rise to their morally questionable effects. Capital market restrictions, prohibitions of transactions dealing with new long-term debts, limitations on technical assistance, and access to cutting-edge technologies and know-how (the latter of which directly undermines the development of national oil and gas fields), have a domino effect that should not be underestimated.

Firstly, they exacerbate pollution levels during exploration and production of gas and oil fields as well as the transportation of natural resources, heightening the risk of ecological disasters. *Secondly*, they make large-scale investment in the expansion and/or modernization of energy grids much difficult, if not impossible, which contributes to slowing down the transition towards cleaner energy systems. *Thirdly*, they preclude the conversion of raw products into refined fuels (e.g., gasoline, diesel, and kerosene), which mostly leads to an increase in the consumption of low-quality fuels (due to the lack of an alternative). This leads to massive air pollution, which in turn results in major social and health crises.

Iran, the world's sixth-largest emitter of greenhouse gases in 2019, is a prime example: the country suffers from all three of these problems, which are heightened by

mismanagement. The key question is whether the Biden Administration and the EU—each hoping to lead the global transition to clean energy—will manage to keep up the fight against nuclear proliferation and other security threats without hampering the fight against climate change.

The central role of the United States in the process of imposing and implementing economic sanctions is also a cause for concern for other regional and global powers. American extraterritorial sanctions have become the primary vehicle for signaling and even implementing U.S. political objectives.

The central role of the United States in the process of imposing and implementing economic sanctions is also a cause for concern for other regional and global powers.

To put it simply, Washington has given itself jurisdiction to impose economic sanctions—including energy sanctions—that target foreigners on foreign soil. Hence the use of the term "extraterritorial sanctions." This has been made possible mainly due to America's monetary and technological supremacy. The result is a comprehensive set of restrictions that either precludes business conducted in U.S. dollars or involves an American firm or individual (or both). For example, financial institutions, insurance companies, and energy companies cannot operate within Iranian and Russian jurisdictions unless under strict terms defined by Washington.

During Trump's presidency, energy sanctions tended to trigger adaptation measures in sanctioned countries much more than in the past. The case of Russia is certainly one of the most interesting. Moscow's adaptation now hinges on the pursuit of the following five policies: (a) launching new marketing choices towards Asia; (b) increasing cooperation with non-Western institutions, located for the most part located in Asia or in the Middle East; (c) implementing import replacement measures (via countries like China) aimed at tackling the country's more limited access to Western technologies; (d) developing its own technology; and (e) reducing the number of transactions denominated in U.S. dollars.

Nevertheless, even when put together these measures do not constitute a silver bullet. As in the days of the Soviet Union, Russia has limited room for maneuver due to structural problems of both its

economy and financial system. Thus, the country is trying to fight back by adapting itself with Chinese support, but Moscow is neither able to prevent the imposition of new sanctions nor compete at a financial and technological level with the United States in particular. Of course, as a permanent member of the UN Security Council, Russia has the capacity to block UN sanctions targeting the energy sector of third countries, often receiving support from China in this regard. Over the past few years, China has positioned itself as a counterbalance to Washington's sanctions supremacy, while expending its position in the world economy and defending its economic interests.

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Last but not least, energy sanctions have become a bone of contention within the West itself. As previously earlier in this essay, the United States has interfered in European energy issues in the past. One of the most famous examples is when Ronald Reagan attempted to meddle with the energy import policies of western European countries by imposing unilateral economic sanctions on the Soviet Union in the 1980s. That situation generated tensions between Washington and its allies in western Europe without undermining Transatlanticism. But Trump's presidency did. Energy sanctions imposed by the United States were increasingly perceived by European states as a direct threat to their own economic interests (as well as to those of the European Union as a whole)—in particular those restricting European companies from doing business in Russian and Iran. On that subject, the Nord Stream 2 pipeline has been a bone of contention between Washington and Brussels/Berlin. So far, a status quo seems to have been found. The Biden Administration has confirmed that it would not impose sanctions on corporations that built the gas pipeline; and the EU has not created mechanisms in order to shield itself from U.S. sanctions and possible interferences in its energy sector.

Weapon of the Rich and Powerful

Frequently criticized, even derided, economic and energy sanctions remain an alternative of choice to other policy tools when diplomacy is deemed insufficient and other tools of statecraft are judged to be too costly. Economic and energy sanctions have made it possible to avoid armed conflicts between heavily armed great powers, but they have not prevented bloodsheds at their peripheries. They are more a reflection of geopolitical realities rather than a set of high-minded moral values. To some extent, imposing sanctions has progressively become a privilege enjoyed by a few great powers, starting with the global energy superpower, the United States.

To a certain extent, war has become the weapon of the poor, while economic and energy sanctions have become the weapon of rich and powerful nations.

Throughout the 20th century, each power center has developed a narrative to justify the use of sanctions. The Middle East sought to regain its sovereignty over its natural resources. The Soviet Union wanted to support those states that embraced its ideological values. The West wanted to avoid wars. While each side cultivated its own sense of being right, sanctions have continuously led to escalating tensions because they have primarily become a means of exerting pressure through dependence (including technology, finance, and imports).

To a certain extent, war has become the weapon of the poor, while economic and energy sanctions have become the weapon of rich and powerful nations. In a unipolar world, energy sanctions reflected faith in U.S. leadership as well as the absence of reasonable alternatives. China's rise and Russia's promotion of multipolarity is bringing this to an end—if it has not already come. Certainly, the EU is looking for closer cooperation with the United States since Biden came to power, but this has not resulted in a snapback to 2016: Trump's hostility has not been forgotten. Only time will tell whether the United States will be able to retain its central role in the process of imposing economic and energy sanctions—especially in the context of ambitions to mitigate against the effects of climate change by weaning the world off its dependence on hydrocarbon sources of energy. BD