

FROM THE ARAB PETRO-POLITICS OF 1973 TO THE RUSSIA-UKRAINE WAR: WHAT CAN WE LEARN FROM SANCTIONS AS AN AGENCY OF COERCION?

Agaptus Nwozor¹

Oladiran Afolabi²

Chukwudi G. Chidume³

Introduction

Since the consolidation of contemporary human civilization, war has been a recurring phenomenon. It is inconceivable to imagine a world without intermittent outbreaks of wars. Conceptually, there is a disagreement among scholars as to how to frame and understand war in its contemporary manifestation vis-à-vis the pre-World War II period. Clausewitz's classic view of war as "an act of force to compel our enemy to do our will" is challenged as being minimalist and unreflective of the complex nature of war in terms of scope, tempo, methods and strategies (Dimitriu 2020). Many scholars contend that Clausewitz's conceptualization does not appear to capture and convey the complexity of war and the many facets that move it, especially such considerations that range from strategic issues, identity politics, culture, national prestige, global interest, and economic motives (Ahluwalia and Miller 2016).

War has manifested in diverse forms in the course of history. Despite

¹ Bowen University, Iwo, Nigeria. E-mail: agaptus.nwozor@bowen.edu.ng. ORCID: 0000-0002-9782-6604.

² Bowen University, Iwo, Nigeria. E-mail: oladiran.afolabi@bowen.edu.ng. ORCID: 0000-0002-1720-8495.

³ Alex Ekwueme Federal University Ndufu-Alike, Ikwo, Nigeria. E-mail: chudidume@yahoo.com. ORCID: 0000-0003-3921-1641.

the diversity of war, it can be conceptually divided into three categories: intra-state, inter-state, and multilateral wars. All wars, whether intra-state, interstate or multilateral, have different impacts beyond their immediate operational bases. In other words, wars normally have direct and indirect destabilizing socio-economic, political and strategic impacts. From historical evidence, multilateral wars, especially the first and second world wars, had far-reaching global impacts as great powers were involved. The 1973 Arab-Israeli war and the Russia-Ukraine war assumed a multilateral character as their impacts diffused beyond their respective enclaves.

The 1973 Arab-Israeli war was an unprecedented and well-coordinated military campaign against Israel by the coalition of Egypt and Syria. The surprise element of the war was that the global intelligence community, including the Israeli Intelligence apparatuses, neither envisaged nor saw it coming. As such, Israel was taken off-guard when the attack was launched on the Yom Kippur religious holiday (October 6, 1973). The outbreak of the 1973 Arab-Israeli war has been traced to four interrelated factors, namely, the failure of intelligence at all levels, including complacency among the superpowers as well as the failure of all international initiatives to resolve the seemingly intractable Arab-Israeli disputes and skirmishes; the resurgence of the Pan-Arabist consciousness and the emergence of Arab coalition ready to battle Israel; the quest for national prestige; and the steady flow of weapons from the superpowers to their allies in the Middle East (Shlaim 1996; Rodman 2015; Eiran 2020). The war, which lasted for 19 days (October 6–26, 1973), had far-reaching implications on the Middle East region and the global system. Not only did the war raise security tensions across the world due to the active involvement of the US and the former Soviet Union, it had significant adverse effects on the global economy and altered it in a fundamental way (Zakariah 2011; Eiran 2020).

The deployment of the tool of economic sanction in the form of oil embargo internationalized the 1973 war. The war was different from other wars in several respects: the unprecedented element of strategic surprise and poor intelligence which caught the Israeli Intelligence apparatuses off-guard, the novel cooperation between Egypt and Syria, and the more coordinated oil embargo that involved more oil-producing Arab countries (Amos 1979; Eiran 2020). In 1967, when Arab countries deployed oil embargo against countries supporting Israel in the Six-Day War, they did so individually and diversely through production slowdowns, stoppages, and ad hoc boycotts (Mallakh 1977). The individualistic nature of this embargo coupled with lack of coordination undermined its success. Mann contended that the embargo's effectiveness was limited due to a combination of factors, namely, lack of

Arab unity, Western stockpiles, wrong timing of the embargo (the embargo was imposed at the beginning of June when oil consumption was not as high as the cold winter months), and the availability of alternatives (diverse energy components meant that they could use coal instead of oil) (Mann 2013).

The oil embargo by Arab countries in 1973 was aimed at altering the behavior or disposition of the US and its Western allies towards Israel. The impacts of the oil embargo by Arab states included the unprecedented rise in the price of oil (from US\$3 per barrel in 1971 to about US\$12 by December 1973); acute shortages of fuel in many industrialized countries, macroeconomic contradictions manifesting in the world-wide decline in economic growth, recession, inflation, and unemployment (IMF 1974; Graf 2012). Despite these impacts, the embargo was unable to significantly elicit anticipated concessions from the US and its Western allies. There was a continuous flow of support to Israel, including the approval of US\$2.2 billion in emergency aid to Israel by the US Congress based on Richard Nixon's request (Verrastro 2013; Painter 2014).

There is a parallel in the perceptions of oil-producing Arab states and Western powers that sanctions possess coercive effectiveness in inducing anticipated behavioral response. This perception underpinned the 1973 oil embargo and the bouquet of sanctions imposed against Russia by the Western-led coalition. The sanctions regime against Russia started in 2014 for annexing Crimea, and was expanded since 2022 when it invaded Ukraine. The whole idea of sanctions in international politics is to coerce changes in the policies of target states by inflicting economic damage. When sanctions are applied, the sender-state or coalition of states are basically demanding a change in the behavior of the target state (Allen 2005; Neuenkirch and Neumeier 2015). Thus, the success or otherwise of sanctions depends on the extent to which the target government concedes to the demands of the sender.

The paper focuses on what makes a seemingly interstate war assume a multilateral character with far-reaching global impacts. In addition, it attempts to address the question about whether targeted actions by a state or a coalition of states can extract an expected behavioral response in the context of belligerency. In addressing the foregoing, the paper evaluates why the oil embargo imposed by OAPEC and Western-led sanctions against Russia appeared not to have secured the expected compliant behavior. The paper relies on secondary data, including statistical reports, government papers, and scholarly publications, in its analysis. The lesson from the oil embargo has become necessary in the wake of the Russia-Ukraine war and the sanctions regime imposed by the Western-led coalition.

The paper is divided into five sections starting with the introduction.

It is followed by sections two and three, which assess the international dimensions of the 1973 war, and the oil embargo, especially its domino effects on the global economy respectively. Section four examines the question of sanctions and its capacity to extract compliant behavioral response from states in the context of both the 1973 Arab-Israeli war and the Russia-Ukraine war and section five concludes the paper.

The Internationalization of the Arab-Israeli War: Its Nature, Scope and Elements

The 1973 Arab-Israeli war was fought in the Middle East. However, it had international dimensions. There were four ways by which the war was internationalized, namely the superpower involvement, the weaponization of oil through the instrumentality of oil embargo, the United Nations involvement, and international diplomatic efforts. The superpower involvement was in keeping with their strategy of proxy war, a phenomenon that characterized their relations during the cold war era (Marshall 2016). As Mumford explained, “proxy wars are the logical replacement for states seeking to further their own strategic goals yet at the same time avoid engaging in direct, costly and bloody warfare” (Mumford 2013, 40). Proxy warfare enabled the superpowers to strike a strategic bargain of maintaining their rivalry without descending to a direct nuclear faceoff (Mumford 2013; Rauta 2020). The superpowers provided military equipment, intelligence, and diplomatic support to their respective allies. While the US and its western allies provided economic and military assistance to Israel, the former Soviet Union assisted Egypt and Syria (Eaker 1974; Kahana 2002; Graf 2012). These supports nearly brought the two superpowers to the brink of crisis, with the US raising its nuclear alert to Defense Readiness Condition 3 (DEFCON3) on the worldwide stage, the first of such an alert since the 1962 Cuban missile crisis (Leitenberg, 2018). However, this threat of nuclear confrontation was averted due to international diplomatic intervention.

The support to the belligerents by the superpowers is understandable. While the US had been a long-time ally of Israel, the Soviet Union also enjoyed a long relationship with Egypt and Syria. For instance, in 1955 the Soviet Union supplied its first consignment of military hardware to Egypt in the so-called Czech arms deal (Bennett 1985). Additionally, in 1971, the Soviet Union signed a treaty of friendship with Egypt known as ‘the Soviet-Egyptian Treaty of Friendship and Cooperation’. This treaty accounted for the strong support that the Soviet Union extended to Egypt and its ally, Syria

during the war of 1973. According to Bennett (1985, 756), “up to the 1973 war, Egypt was the Soviet Union’s most important client in the Third World, receiving more Soviet military deliveries than any other state”. In the same vein, Soviet arms deliveries to Syria were at their height in 1973, especially in the course of its war against Israel. The Soviet Union ensured the restoration and modernization of Syrian military architecture by delivering weapons and combat equipment, and by sending military advisers and specialists in 1974 (Kirshin 1998). Egypt received unquantifiable military assistance from the USSR despite an agreement signed by Nixon and Brezhnev in Moscow in January, 1972 to the effect that “if Russia would not resupply Arab losses, the U.S. would withhold weapons to Israel” (Eaker 1974, 158).

In the context of the realist paradigm, the Soviet Union’s pursuit of its national interest appeared to have led to its abandonment of the Nixon-Brezhnev agreement of neutrality. In the same vein, the US foreign policy interests dictated its responses and involvement (Israeli 2013). Both superpowers recognized the strategic relevance of the war and hoped for a positive outcome for their respective sides as it could change the dynamics of global politics. For instance, an Arab victory would have advanced Soviet foreign policy in several respects, including permitting the reopening of the Suez Canal, (which was eventually reopened in 1975), the restoration of Russian prestige in the Arab world, and the Russian control of the flow of Arab oil to the Western world, which could have far-reaching impacts on their economies (Eaker 1974).

Another international dimension to the war was the embargo on oil export to western countries. The oil embargo had a serious impact on the global economy. The shortage which the embargo created caused an unprecedented downtime in productive activities amidst an unparalleled spike in crude oil price. The price of oil in the international market jumped almost four-fold from US\$3 to US\$12 (Salameh 2004; Masterson 2022). This ultimately led to global recession, which manifested in declines in the gross domestic product (GDP) of industrialized countries. For instance, the GDP fell by 4.7 percent in the US, 7 percent in Japan, and 2.5 percent across Europe (Salameh 2004).

Apart from the oil embargo, many Arab countries further weaponized oil by nationalizing foreign oil companies. The nationalization movements in oil-producing countries undermined western multinational oil companies and deprived them of their hitherto influence and control of oil prices. The trend towards the nationalization of the oil industry, which started in Iran in 1951, Iraq in 1961 and Egypt in 1962, gathered momentum with the formation of the Organization of Petroleum Exporting Countries (OPEC). However, the 1973 Arab-Israeli war, the embargo and attendant spike in oil

price provided further impetus for nationalization. Thus, Kuwait nationalized its oil industry in 1975 and Saudi Arabia through the late 1970s (Gross 2017). The overall impact on traditional oil giants such as Exxon and Shell was loss of their ownership and share of global oil and gas reserves, which plummeted from 85 percent in the late 1960s to 60 percent by the end of the 1970s and somewhere around 15 percent in the 2000s (Zhao 2019).

The Camp David Peace Accord which was finally ratified by the Israeli Prime Minister Menachem Begin and Egyptian President Anwar el-Sadat on September 17, 1978 was another international dimension to the 1973 Arab-Israeli war. The peace accord was greeted with mixed reactions of applause and criticisms. It was applauded as a paradigm shift in peacemaking and a sure foundation for peace between Egypt and Israel, and criticized as not being comprehensive enough to address the Palestinian question (Quandt 1986). The Arab world did not stop at only a critique of the peace accord, they followed up with the suspension of Egypt from the Arab League in 1979.

The United Nations played a key role through multilateral diplomacy that resulted in Security Council Resolutions 338 and 339 that spawned the ceasefire process. However, while Egypt and Israel accepted the ceasefire, it took the intervention of the Soviet Union for Syria to do so. Despite the Resolutions, hostilities continued, which eventually led to the adoption of UN Security Council Resolution 340 that finally put the Arab-Israeli war on hold (United Nations 1974). All these controversial circumstances placed the 1973 Arab-Israeli war beyond the template of Arab politics. Scholars have also argued that one international result of the war was the global support for, and recognition of the Palestine Liberation Organization (PLO) (Khalidi 1990). The UN General Assembly in 1974 recognized and reaffirmed the inalienable rights of the Palestinian people to self-determination, national independence, sovereignty, and to return, and granted the PLO observer status as a national liberation organization in the UN. Since the Palestinian declaration of independence on November 15, 1988, its status in the UN has changed to non-member observer state and recognized by the majority of the countries in the UN.

The Geopolitics of Sanctions: the Oil Embargo and the Global Economy

It was not the 1973 war per se that directly impacted on the global economy but the active intervention of OAEPEC through the economic diplomacy of the oil embargo. As pointed out by Gawrych (1996, 11), the

oil embargo was designed to mount pressure on Western governments to abandon their support for Israel and “adopt policies more favorable to the Arab cause”. From the production profile of September 1973, OAPEC cut back production by 4.4 million barrels per day (mb/d) representing 7.5 percent of global output in November 1973 (Hamilton 2011). Interestingly, the Western oil companies that controlled oil in the Middle East could not avert the embargo (Zhao 2019).

OAPEC was founded in 1968 by three Arab countries, namely, Kuwait, Libya, and Saudi Arabia as a strictly pan-Arab intergovernmental organization. Its membership has expanded since then to include Algeria, Bahrain, Qatar, United Arab Emirates (UAE), Syria, Iraq, and Egypt. The focus of OAPEC revolves around coordinating and harmonizing oil-related policies, especially in the areas of production, pricing, and marketing of petroleum products, as well as in promoting the development and utilization of petroleum resources in the Arab world through informational programs, research, manpower training, and data exchange (Mallakh 1977). OAPEC is distinct from OPEC (Organization of Petroleum Exporting Countries) although both share overlapping membership. However, OPEC is a broader body with membership beyond Middle Eastern states. Both organizations have a common interest that centers on ensuring stable and fair prices for petroleum, as well as promoting the development and utilization of petroleum resources. Nwaezeigwe has contended that the formation of OAPEC was motivated by the political quest of Arab states to have a regional platform that would motivate the initiation and pursuit of exclusively pro-Arab policies (Nwaezeigwe 2021).

OAPEC took advantage of the dependence of industrialized countries on oil to advance their collective interest, which was to secure support for the Arab cause in relation to Israel. Thus, between October 1973 and March 1974, OAPEC maintained an oil embargo to Western countries that were friendly to Israel (Graf 2012; Painter 2014). They adopted a three-classificatory schema in deploying and effectuating their embargo, namely, friendliness, neutrality and hostility (Alhajji 2005; Zakariah 2011). While the countries considered as being supportive of the Arab cause were classified as “friendly” and therefore did not experience reduction in oil imports from OAPEC, countries categorized as “neutral” and “hostile” were subjected to a five percent reduction in imports and full embargo respectively (Zakariah 2011, 96).

The oil-producing Arab countries agreed to cut crude oil production by 10 per cent and progressively by 5 percent a month afterwards until the withdrawal of Israel from occupied territories (Licklider 1988; Painter 2014). The ensuing oil crisis brought to the fore “a new understanding of the role oil

could play in geopolitics” (Gross 2017). The inflated oil prices had a particularly negative effect on the global economy, with industrialized countries suffering more, although with snowballing effects across the world.

The oil embargo was possible, and indeed successful due to the changes in the institutional structure of the international oil market. These changes were made possible by the nationalization of the oil industry by oil-producing countries (Gross 2017; Zhao 2019). Nationalization made the embargo successful as the international oil market ceased to be in the control of major oil companies. Thus, by 1973, many OPEC members were in control of crude oil-producing operations and exercised decision control over prices and production volumes (Kilian 2006). This trend was a departure from the pre-1973 period where oil-producing countries had no hand in crude oil production and pricing. In fact, the major oil companies presided over an oligopolistic oil market where they determined the price of oil and merely paid royalties and taxes to host governments on the basis of such prices (Okogu 2003).

The impact of the oil embargo was felt by countries differently. Overall, the embargo impacted the world negatively because of the importance and centrality of oil in the schema of modern industrialization as well as the ever-expanding global dependence on it. Apart from massive disruptions in productive economic activities, the attendant price increases created serious balance of payments problems for many countries.

The non-Arab oil producers could not counterbalance the production cutbacks by OAPEC. The rise in the price of crude oil was instrumental in emboldening OAPEC to continue with the embargo. The good run of oil prices made it possible for OAPEC to sustain production cutbacks without revenue loss or negative consequences to their budgets (Salameh 2004). Prior to the oil embargo, the fixed nature of oil prices ignited the ever-increasing demand for oil. However, the embargo created contradictions in the domestic economies of countries, thus generating the need for the introduction of a host of measures to contain the situation, especially in terms of conserving oil and curtailing the demand for it. The major fallout from this experience was that it incentivized the search for the efficient use of oil. It also opened the door for alternative sources of energy. With regard to the efficient use of oil, the US formulated a policy measure requiring automakers to raise mileage consumption of fuel by vehicles from 13.5 to 27.5 miles per gallon (Myre 2013).

Another major effect of the oil embargo was macroeconomic contradictions resulting in a world-wide decline in economic growth, recession, inflation, and unemployment (IMF 1974). The macroeconomic contradictions that enveloped the global economy did not disappear with the

restoration of normalcy in oil supplies by OAPEC in March 1974. As a matter of fact, inflation remained high in many countries long after the embargo. This was further compounded by the second round of oil price rises in 1979-80 (IMF 1983). The reason for this was that the prices of oil did not revert to their pre-embargo levels unlike during previous oil embargoes in 1956 and 1967, where prices reverted to their pre-embargo levels (Alhajji 2005).

The embargo also produced enormous petro-wealth for oil-producing countries. Alhajji (2005) notes that the unprecedented transfer of wealth changed the economic, political, and social circumstances of oil-producing countries around the world. There was also a multiplier effect on non-oil-producing developing countries. The petrodollars earned by oil-producing countries were channeled to the Eurodollar market and thus, provided a pool of long-term lendable funds from which many developing countries borrowed to finance national development. The petrodollars not only boosted the long-term loan market but also provided an easily accessible pool of funds for national development amongst developing countries (Kopper 2009). The conditions for granting loans to states (in contradistinction to the strict conditionalities of the IMF) made the Eurodollar market an attractive option to developing countries. Unfortunately, the borrowings of this era eventually led to a debt crisis which entrapped many developing countries in the 1980s and subsequently (Nwozor 2009).

Sanctions and the Question of Compliant Behavioral Response

In the international arena, economic sanctions and embargoes have been deployed unilaterally and multilaterally to exert pressures on states and condition their behavior towards achieving or actualizing some stated and unstated foreign policy objectives. Economic sanctions may be comprehensive or targeted depending on the overall objectives that underpin and influence them. The deployment of sanctions and embargoes is prevalent in the international system despite their debatable effectiveness. The attraction of economic sanctions as a foreign policy tool is based on the naïve theory that economic coercion with attendant high cost is more likely to achieve its intended policy objectives, especially of eliciting compliant behavior from states, when it inflicts major damage on the target economy (Peksen 2019). Additionally, economic sanctions are generally viewed as “a lower-cost, lower-risk course of action between diplomacy and war” (Masters 2019). The confidence of foreign policy makers in the coercive effectiveness of economic sanctions and embargoes underpins their increasing deployment both unilaterally

and multilaterally. The US tends to use economic sanctions more than any other country due to its superpower status. According to Masters, the US has more than two dozens of sanctions regimes targeted at different countries for a variety of reasons that range from terrorism nuclear proliferation, drug trafficking, to human rights violations among others (Masters 2019).

There is an admixture of success and failure in the policy domains of economic sanctions in terms of inducing or extracting compliant behaviors from states. It is important to point out that there is a general lack of agreement in the literature about the success or failure of economic sanctions as well as the constitutive thresholds or parameters that indicate the success or failure of the sanctions regimes (Pape 1997; Allen 2005; Dizaji and van Bergeijk 2013). Allen contends that sanctions may be abandoned if the expected change does not occur and that “only concession by the sender causes sanctions to fail, and different factors play into that decision than those which affect the target’s choice” (Allen 2005, 118). However, there is a growing consensus that for sanctions to be considered as effective, they should result in either full target compliance or at least partial policy change in line with the stated policy objectives of the initiating state or coalition of states (Peksen 2019). The sanctions arena is characterized by complex outcomes. There appears to be evidence that multilateral sanctions, under the auspices of international institutions, have been more effective than those by a single country or an ad hoc coalition of a few countries (Peksen 2019). The seeming success of multilateral sanctions is attributed to a combination of factors, namely, the accompaniment of sanctions with such tools as diplomacy and mediation, peacekeeping, the threat or use of force, less likelihood of sanction-busting, and broad-based international support.

The 1973 oil embargo was initiated under the auspices of OAPEC. The imperative of institutionalizing a common platform to coordinate Arab interests in the global arena, using oil as a primary weapon, was particularly dictated by the limited effectiveness of the individually-administered oil embargo in 1967 (Mann 2013). Mallakh (1977) acknowledges that the initial impulse in fashioning the body consisted of the need to reduce the disarray in Arab oil policies through a formalized or institutionalized level of coordination, and to provide a means of channeling aid to Arab states in crisis, especially Egypt, Jordan, and Syria. The 1973 oil embargo had far-reaching impacts on the global economy as it undermined the energy security of developed countries with implications on their sovereignty and independence.

The question is, did it really achieve its political objective of securing compliant behavior from the targeted states? The preponderant reliance of the US and Western economies on oil underscored their vulnerability to

any policy that threatened the free flow of oil. Thus, any form of disruption created energy insecurity and posed a serious threat to their national security (Glaser 2013). The political goals that motivated the embargo included: an end to the support provided by Western countries to Israel; recognition of the rights of the Palestinian people as well as the respect for their sovereignty over their natural resources in the context of the UN Security Council Resolution 242 (1967); and the recognition and active intervention of the international community in the Arab-Israeli conflict in terms of supporting its resolution in a way that could be regarded as fair and just to all parties.

The oil embargo appeared not to have succeeded in extracting direct concessions from the US and its allies in the scope and magnitude expected, especially in the context of the UN Resolution 242. The UN Security Council Resolution 242 specifically provided among other things the:

- (i) Withdrawal of Israel armed forces from territories occupied in the recent conflict; (ii) Termination of all claims or states of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force (UN Security Council Resolution, 1967).

Notwithstanding the seeming simplicity of the resolution, it was steeped in ambiguities that made the Middle East problem even more complex (Goldberg 2011). As Dajani (2007, 24) observes, “the resolution’s ambiguities and omissions further diminished its value as a tool of dispute resolution, creating confusion about what the acceptance of the 242 Resolution meant, encouraging hard bargaining by the parties, and denying leaders the political cover for necessary compromise”. Thus, the interpretation of its various provisions was mired in controversy. Israel and the Arab states held contradictory positions regarding what “withdrawal of Israeli forces”, “secure and recognized boundaries” as well as “a just settlement of the refugee problem” really meant, or what should constitute the recognition of Palestinian rights (Lynk 2007; Lapidoth 2011). The baseline contention of Arab states was that Resolution 242 had not been effectively implemented or enforced, resulting in Israel’s continued expansion of settlements in the occupied territories in violation of the resolution. The oil weapon was primarily designed to extract concession on these political issues from the Western allies of Israel.

There is no consensus among scholars as to the success or otherwise of the 1973 oil embargo. Some scholars contended that the embargo was unsuccessful based on the perspective that it was unable to coerce the

targeted states to change their policies with respect to the Arab-Israeli conflict even in the face of its deleterious effects on their economies (Licklider 1988). As already noted, the embargo had negative impacts on the economies of the targeted states, which ranged from creating energy crisis, inducing inflationary pressures to loss in welfare (Hayes and Hudak 1987; Goel and Morey 1993; Roeder 2005). Others held the view that the embargo was successful considering that it restored Arab self-confidence, attracted international attention that facilitated a rapid peace settlement, and spawned a change of attitudes toward the Arab states in the Western world (Zakariah 2011; Graf 2012). Generally speaking, the oil embargo achieved a number of goals: it highlighted the capacity of Arab countries to unite and fight for a common cause. It also contributed to the appreciation of oil prices, which resulted in unprecedented petrodollar earnings by oil-producing countries.

With specific reference to the political issues that signposted the embargo, it was evident that the targeted countries absorbed the impacts of the embargo without altering their policy position on the Arab-Israel conflict. However, a holistic appraisal of the embargo would suggest that the post-embargo engagement of Arab states as well as long-term changes in Western countries vis-à-vis the Arab states was a recognition of their power in the international system. A specific gain was the Camp David Accords of 1979 in which Israel and Egypt brokered a peace treaty. There were subsequent peace talks. These gains could be attributed, even if indirectly, to the embargo. However, the lesson that is easily learnable from the 1973 oil embargo is its far-reaching impacts that reverberated across the world with developing countries suffering severe balance of payment crisis. An additional lesson is that the embargo did not directly achieve the major objectives of its initiators as the target states never altered their policy towards Israel in the manner anticipated.

Relatedly, the question is whether the expanded sanctions regime against Russia since 2022 is likely to induce policy alteration in deference to the wishes of the initiators? By the nature and scope of sanctions imposed on Russia by Western countries and their allies, Russia is one of the world's most sanctioned countries. According to Atlantic Council Russia Sanctions Database (n.d) as at February 2023, there were 11,803 designations of sanctions from Western countries and their allies against Russia, with 77 percent of them targeting individuals and 22 percent targeting entities, vessels and aircraft. It is estimated that more than 30 countries, including the European Union, imposed sanctions against Russia (Funakoshi, Lawson, and Deka 2022). The sanctions resulted in cutting energy imports, blocking financial transactions and halting shipments of key imports with the snowball effect that over 1,000

foreign companies halted operations in Russia.

Prior to the new sanctions regime that the Western leaders rallied the world to impose on Russia in the aftermath of the latter's invasion of Ukraine in February 2022, it was under sanctions for annexing Crimea, which began in late February 2014. The impact of these earlier sanctions, spearheaded by the US, Canada and the European Union, was quite disruptive to the Russian economy (Christie 2016; Davis 2016). According to reports, the Russian economy slumped, recording its longest recession in almost twenty years, the value of its currency, the ruble, crashed and oil prices plummeted (Chatzky 2019). By mid-2016, Russia had lost an estimated US\$ 600 billion due to financial sanctions and revenues from oil and gas (Pettersen 2016). The overall objective of the sanctions was to punish Russia for annexing Crimea and force it to withdraw from the territory, deter it from further aggression, and signal that national borders must be respected (Chatzky 2019). The Russian invasion of Ukraine in 2022 in defiance of global opposition could be considered as a demonstration of the limited value of economic sanctions as a tool of pressuring target states and securing behavioral compliance.

If previous sanctions did not deter Russia from further aggression, how is it possible that the current sanctions regime could force it to end its war in Ukraine? Multilateral sanctions against Russia have been in place since February 2014. The major difference is that they were expanded from February 2022 following the invasion of Ukraine. Undoubtedly, the Russian economy is under dire straits as exemplified by the shutdown of its stock market, loss in the value of Russian companies traded on foreign stock exchanges, crisis in its financial system with the value of its currency plummeting, removal of Russian equities from global indexes, and the collapse of Russia's sovereign credit rating to junk status (Cecchetti, Schoenholtz, and Berner 2022; Berman and Siripurapu 2023). These sanctions have tended to be unsuccessful in extracting the expected behavior from Russia, which is to stop its war campaigns in Ukraine. However, there is a sense in which the sanctions could be considered as relatively effective, namely, blunting Russia's military edge, restraining it to conventional warfare strategies, and precluding the option of deploying nuclear weapons.

Like the 1973 oil embargo, there are several reasons why economic sanctions alone may not be sufficient to force First-World countries to manifest desired behavioral changes. While the 1973 oil embargo hurt the economies of target countries, they adopted domestic measures that mitigated its overall impacts, thus making it insufficient to induce the expected behavioral changes. The domestic measures were followed up with diplomatic efforts that yielded dividends when Saudi Arabia and Iran agreed to increase their

oil production and exports (Issawi 1978; Garavini 2011). The same factors that played out during the 1973 oil embargo appear to underpin the present multilateral sanctions regime against Russia. It is apparent that the present composition of the sanctions regime against Russia would be insufficient to make it suspend its war against Ukraine. In addition, there is a limit to which Western-led sanctions could be stretched without torpedoing the global economic system. Russia is a particularly strategic country as it is an exporter of many crucially important commodities, including oil, fertilizers, wheat, and precious metals (Berman and Siripurapu 2023).

Why sanctions may not be completely considered as effective coercive tools to prevail upon Russia to end the conflict in Ukraine are the peculiarities of Russia. These peculiarities include: one, Russia has a relatively diversified economy that can withstand some level of economic pressure. Two, the existence of sanction busters and their willingness to align with Russia. This makes it possible for Russia to rely on them as well as find new trading partners, particularly in Asia, to mitigate the impact of sanctions. Three, Russia's membership of the UN Security Council and the power of veto precludes the possibility of UN-backed sanctions. Four, Russia's capacity of retaliation, its strategic positioning and relevance in the energy sector serve as some form of restraint. Lastly, the Russian leadership views the conflict in Ukraine as a matter of national security and therefore unwilling to make concessions under pressure (Davis 2016; Berman and Siripurapu 2023). While the 1973 oil embargo demonstrated the inadequacy of oil embargo as a coercive tool, it also bequeathed to the global community the legacy of thinking out of the box to deal with energy insecurity. This thinking underpinned the global quest for energy efficiency standards, alternative fuels and efficient technologies (Mallick 2010; Martínez, Ebenhack, and Wagner 2019). Notwithstanding the divergent perception of scholars on the effectiveness or otherwise of the sanctions regime against Russia, a most notable achievement is the unequivocal message of the multilateral coalition against unprovoked aggression. Thus, like the 1973 oil embargo, the economic sanctions against Russia would ultimately lead to diplomatic engagements capable of inducing behavioral changes that could pave the way for the resolution of the war.

Conclusion

The 1973 Arab-Israeli war was a continuation of wars that started on November 30, 1947. Prior to 1973, there had been a total of four wars consisting of three major and minor wars. The 1973 oil embargo was not the

first time that oil-producing Arab states would weaponize oil in the context of Arab-Israeli conflicts. In 1967, the Arab oil ministers initiated a “prohibition against exporting oil to any country that intended either to assist Israel or to take part in the looming war” (Mann 2013, 696). The involvement of oil-producing Arab countries in the war under the auspices of OAPEC in 1973 introduced new dimensions that ultimately internationalized it. By deploying the oil weapon, the OAPEC was able to create an oil shock in the global economy. Notwithstanding the shock created by the oil embargo, it was not able to change the intentions of the initiators, which was to make the Western allies of Israel to discontinue their support.

In the same vein, the multilateral sanctions regime imposed on Russia following its annexation of Crimea in 2014 and later, the invasion of Ukraine in February 2022, were designed to mount economic pressures and induce a discontinuation of the war. Although the sanctions have caused significant damage to the Russian economy and its financial system, it has not forced it to abandon the war. Some important lessons could be picked from the 1973 Arab-Israeli war and juxtaposed to the Russia-Ukraine war. The first is the seeming limitation of sanctions against industrialized countries. The second important lesson is that pressures, whether economic, political or military, may not automatically yield the expected payoffs. The third is that states will always adjust in order to deal with evolving challenges. With the oil production cutbacks and embargo by OAPEC resulting in shortages and price increases, countries began to adjust through a plethora of strategies including the reduction of oil consumption through greater efficiency and conservation, replacement of oil with other energy sources, strategic reduction of oil imports from OPEC producers, especially those in the Middle East, intensification of efforts towards the discovery of new oil fields, and the encouragement of expansion in oil production elsewhere (Painter 2014).

The multilateral sanctions against Russia have led to various domestic adjustments, including shutting down its stock exchange to cushion the possibility of its collapse under the weight of Western onslaught, shoring its currency, the ruble, by hiking interest rates to 20 percent and conducting much of its bilateral trade in rubles, and creating new avenues of sanction busting through China and other friendly states. Like the 1973 oil embargo, the sanctions will be followed by diplomatic engagements that could lead to diverse agreements and concessions.

References

- Ahluwalia, P., and T. Miller. 2016. "Why do wars happen?". *Social Identities* 22 (4): 347-349.
- Alhajji, A. F. 2005. "Three decades after the oil embargo: Was 1973 unique?". *The Journal of Energy and Development* 30 (2): 223-237
- Allen, S. H. 2005. "The determinants of economic sanctions success and failure". *International interactions* 31(2): 117-138. <https://doi.org/10.1080/03050620590950097>
- Amos, J. W. 1979. *Arab-Israeli military/political relations: Arab perceptions and the politics of escalation*. Pergamon Press.
- Atlantic Council. n.d. *Russia Sanctions Database*. Accessed 10 March 2023. <https://www.atlanticcouncil.org/blogs/econographics/russia-sanctions-database/>
- Bennett, A. J. 1985. "Arms transfer as an instrument of Soviet policy in the Middle East". *Middle East Journal* 39 (4): 745-774.
- Berman, N. and A. Siripurapu. 2023. "One year of war in Ukraine: Are sanctions against Russia making a difference?". *Council on Foreign Relations*, February 21. <https://www.cfr.org/in-brief/one-year-war-ukraine-are-sanctions-against-russia-making-difference>
- Cecchetti, S., K. Schoenholtz, and R. Berner. 2022. "Russian sanctions: Some questions and answers". *Centre for Economic Policy Research*, March 21. <https://cepr.org/voxeu/columns/russian-sanctions-some-questions-and-answers>
- Chatzky, A. 2019. "Have sanctions on Russia changed Putin's calculus?". *Council on Foreign Relations*, May 2. <https://www.cfr.org/in-brief/have-sanctions-russia-changed-putins-calculus>
- Christie, E. H. 2016. "The design and impact of western economic sanctions against Russia". *The RUSI Journal* 161 (3): 52-64. <https://doi.org/10.1080/03071847.2016.1193359>.
- Dajani, O. M. 2007. "Forty years without resolve: Tracing the influence of Security Council Resolution 242 on Middle East peace process". *Journal of Palestine Studies* 37(1): 24-38. <https://doi.org/10.1525/jps.2007.37.1.24>
- Davis, C. M. 2016. "The Ukraine conflict, economic-military power balances and economic sanctions". *Post-Communist Economies* 28 (2): 167-198. <https://doi.org/10.1080/14631377.2016.1139301>
- Dimitriu, G. 2020. "Clausewitz and the politics of war: A contemporary theory". *Journal of Strategic Studies* 43 (5): 645-685.
- Dizaji, S. F. and P.A.G. van Bergeijk. 2013. "Potential early phase success

- and ultimate failure of economic sanctions: A VAR approach with an application to Iran". *Journal of Peace Research* 50 (6): 721–736
- Eaker, I. C. 1974. "The fourth Arab-Israeli war". *The Military Engineer* 66 (431): 156–160.
- Eiran, E. 2020. "Dangerous Liaison: The 1973 American intelligence failure and the limits of intelligence cooperation". *Journal of Intelligence History* 19 (2): 213–228.
- Funakoshi, M., H. Lawson, and K. Deka. 2022. Tracking sanctions against Russia. *Reuters*, July 7. <https://www.reuters.com/graphics/UKRAINE-CRISIS/SANCTIONS/byvrjenzmve/>
- Garavini, G. 2011. "Completing decolonization: The 1973 "oil shock" and the struggle for economic rights". *The International History Review* 33 (3): 473–487. <http://dx.doi.org/10.1080/07075332.2011.595593>
- Gawrych, G. W. 1996. "The 1973 Arab-Israeli war: The albatross of decisive victory". *Leavenworth Papers* Number 21. <https://apps.dtic.mil/sti/pdfs/ADA323718.pdf>
- Glaser, C. L. 2013. "How oil influences U.S. national security". *International Security* 38 (2): 112–146
- Goel, R. K., and M.J. Morey. 1993. Effect of the 1973 oil price embargo. *Energy Economics* 15 (1): 39–48. [https://doi.org/10.1016/0140-9883\(93\)90041-0](https://doi.org/10.1016/0140-9883(93)90041-0)
- Goldberg, A. J. 2011. "What Resolution 242 really said". *American Foreign Policy Interests* 33 (1): 41–46. <https://doi.org/10.1080/10803920.2011.550240>
- Graf, R. 2012. "Making use of the "oil weapon": Western industrialized countries and Arab petropolitics in 1973–1974". *Diplomatic History* 36 (1): 185–208.
- Gross, S. 2017. The 1967 war and the "oil weapon". *Brookings*, June 5. <https://www.brookings.edu/blog/markaz/2017/06/05/the-1967-war-and-the-oil-weapon/>
- Hamilton, J. D. 2011. *Historical oil shocks*. <https://pdfs.semanticscholar.org/3045/04afeaa155c19244a55c66903a7c0b16599c.pdf>
- Hayes, K., and S.P. Hudak. 1987. "Regional welfare loss measures of the 1973 oil embargo: A numerical methods approach". *Applied Economics* 19 (10): 1317–1327. <https://doi.org/10.1080/00036848700000119>
- International Monetary Fund (IMF). 1974. *Annual report 1974*.
- International Monetary Fund (IMF). 1983. *1983 Annual report*.

- Israeli, O. 2013. "The 1973 war: Link to Israeli-Egyptian peace". *Middle East Policy* 20 (4): 88–98.
- Issawi, C. 1978. "The 1973 oil crisis and after". *Journal of Post Keynesian Economics* 1 (2): 3–26. <https://doi.org/10.1080/01603477.1978.11489099>
- Kahana, E. 2002. 'Early warning versus concept: the case of the Yom Kippur War 1973". *Intelligence and National Security* 17 (2): 81–104.
- Khalidi, R. 1990. "The resolutions of the 19th Palestine National Council". *Journal of Palestine Studies* 19 (2): 29–42.
- Kilian, L. 2006. *Exogenous oil supply shocks: How big are they and how much do they matter for the U.S. economy?*. http://www-personal.umich.edu/~lkilian/oilrjano1_06.pdf
- Kirshin, Y. 1998. "Conventional arms transfers during the Soviet period". In *Russia and the arms trade*, edited by Ian Anthony. Oxford University Press.
- Kopper, C. 2009. "The recycling of petrodollars". *Revue d'économie Financière* (English ed.) 9 (1): 37–46.
- Lapidoth, R. 2011. "The misleading interpretation of UN Security Council Resolution 242 (1967)". *Jewish Political Studies Review* 23 (3/4): 7–17
- Leitenberg, M. 2018. "The hazards of operations involving nuclear weapons during the Cold War". *Journal of Cold War Studies* 20 (3), 207–249. https://doi.org/10.1162/jcws_a_00826
- Licklider, R. 1988. "The power of oil: The Arab oil weapon and the Netherlands, the United Kingdom, Canada, Japan, and the United States". *International Studies Quarterly* 32: 205–226.
- Lynk, M. 2007. "Conceived in law: The legal foundations of Resolution 242". *Journal of Palestine Studies* 37 (1): 7–23. <https://doi.org/10.1525/jps.2007.37.1.7>;
- Mallakh, R. E. 1977. "The Organization of the Arab Petroleum Exporting Countries: Objectives and potential". *Annual Review of Energy* 2 (1): 399–415. doi: <https://doi.org/10.1146/annurev.eg.02.110177.002151>
- Mallick, P. K. 2010. Overview. In *Materials, design and manufacturing for lightweight vehicles*, edited by P.K. Mallick. Woodhead Publishing Limited.
- Mann, J. 2013. A reassessment of the 1967 Arab oil embargo. *Israel Affairs* 19 (4): 693–703. <https://doi.org/10.1080/13537121.2013.829611>
- Marshall, A. 2016. From civil war to proxy war: past history and current dilemmas. *Small Wars & Insurgencies* 27 (2): 183–195. <https://doi.org/10.1080/14702446.2016.1148909>

o.1080/09592318.2015.1129172.

- Martínez, D. M., B.W. Ebenhack, and T.P. Wagner. 2019. Policy instruments to foster energy efficiency. In *Energy Efficiency: Concepts and calculations*, edited by D. M. Martinez, W. Ebenhack and T. P. Wagner. Elsevier.
- Masters, J. 2019. "What are economic sanctions?". *Council on Foreign Relations*. <https://www.cfr.org/background/what-are-economic-sanctions>
- Masterson, V. 2022. "The 1973 energy crisis sparked the idea for establishing the IEA. What have we learned since?". *World Economic Forum*, March 29. <https://www.weforum.org/agenda/2022/03/iea-1970s-energy-crisis/>
- Mumford, A. 2013. "Proxy warfare and the future of conflict". *The RUSI Journal* 158 (2): 40-46. <https://doi.org/10.1080/03071847.2013.787733>
- Myre, G. 2013. "The 1973 Arab oil embargo: The old rules no longer apply". *NPR*, October 16. <https://www.npr.org/sections/parallels/2013/10/15/234771573/the-1973-arab-oil-embargo-the-old-rules-no-longer-apply>
- Neuenkirch, M., and F. Neumeier. 2015. "The impact of UN and US economic sanctions on GDP growth". *European Journal of Political Economy* 40: 110-125. <https://doi.org/10.1016/j.ejpoleco.2015.09.001>
- Nwaezeigwe, N. T. 2021. "Politics of Arab aid and the African economic predicament in the post-Yom Kippur war Arab oil boycott of 1973". *Archives of Political Science Research* 2 (3): 30-40.
- Nwozor, A. 2009. "Echoes of divergence within: The politics and politicisation of Nigeria's debt relief". *Review of African Political Economy* 36 (119): 23-35. <https://doi.org/10.1080/03056240902888444>
- Okogu, B. E. 2003. "The Middle East and North Africa in a changing oil market". *International Monetary Fund (IMF)*. <http://www.imf.org/external/pubs/ft/med/2003/eng/okogu/okogu.htm>
- Pape, R. A. 1997. "Why economic sanctions do not work". *International Security* 22 (2): 90-136. <https://doi.org/10.1162/isec.22.2.90>
- Painter, D. S. 2014. "Oil and geopolitics: The oil crises of the 1970s and the Cold War". *Historical Social Research* 39 (4): 186-208.
- Peksen, D. 2019. "When do imposed economic sanctions work? A critical review of the sanctions effectiveness literature". *Defence and Peace Economics* 30 (6): 635-647. <https://doi.org/10.1080/10242694.2019.1625250>
- Pettersen, T. 2016. "Russia loses \$600 billion on sanctions and low oil prices".

- The Barents Observer*, February 5. <https://thebarentsobserver.com/en/industry/2016/02/russia-loses-600-billion-sanctions-and-low-oil-prices>
- Quandt, W. B. 1986. "Camp David and peacemaking in the Middle East". *Political Science Quarterly* 101 (3): 357-377.
- Rauta, V. 2020. "Proxy warfare and the future of conflict: Take two". *The RUSI Journal* 165 (2): 1-10. <https://doi.org/10.1080/03071847.2020.1736437>
- Rodman, D. 2015. "Combined arms warfare: the Israeli experience in the 1973 Yom Kippur War". *Defence Studies* 15 (2): 161-174.
- Roeder, J. L. 2005. "What we learned from the oil crisis of 1973: A 30-year retrospective". *Bulletin of Science, Technology & Society* 25 (2): 166-169. <https://doi.org/10.1177/0270467604274085>
- Salameh, M. G. 2004. "Oil crises, historical perspective". In *Encyclopedia of Energy*, edited by Cluter J. Cleveland. Elsevier.
- Shlaim, A. 1996. The Middle East: The origins of Arab-Israeli wars. In *Explaining international relations since 1945*, edited by N. Woods. Oxford University Press.
- UN Security Council Resolution. 1967. *Resolution 242 of 22 November 1967*. <https://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/IP%20S%20RES%20242.pdf>
- United Nations. 1974. UN Cease-fire resolutions, October 1973. *Survival: Global Politics and Strategy* 16 (3): 146-147.
- Verrastro, F. and G.F. Caruso. 2013. "The Arab oil embargo—40 years later". *CSIS*, October 16. <https://www.csis.org/analysis/arab-oil-embargo%E2%80%9440-years-later>
- Zakariah, M. H. B. 2011. "The oil embargo following the Arab-Israel war of October 1973: British economic experience and reaction". *Journal of Middle Eastern and Islamic Studies (in Asia)* 5 (2): 92-120. <https://doi.org/10.1080/19370679.2011.12023181>
- Zhao, H. 2019. *The economics and politics of China's energy security transition*. Translated by Li Zhang. Academic Press.

ABSTRACT

Drawing on diverse sources, this paper examines two interrelated questions: how a seemingly interstate war acquires a multilateral character, and the extent to which coercive measures employed by a state or coalition of states can induce compliance from a belligerent actor. The analysis focuses on two cases of economic coercion: the 1973 Arab oil embargo and the contemporary Western-led sanctions regime against Russia. By deconstructing the weaponization of economic instruments in both cases, the paper assesses their effectiveness in shaping the behavior of targeted states. The findings indicate that, despite the far-reaching consequences of the 1973 oil embargo for the global economy, it failed to compel policy change by the United States and its allies. Similarly, Western sanctions against Russia have thus far failed to secure Russian capitulation or restore the status quo ante in Ukraine. The paper argues that while economic coercion can impose significant costs on target states and the international system, its capacity to generate the desired political and strategic outcomes remains limited.

KEYWORDS

Petro-politics, economic sanctions, oil embargo, weaponization of oil, Russian-Ukraine war

Received on May 8, 2024

Accepted on June 7, 2026