



## An embargo is the right policy instrument

Magdalena Züllig / 29.4.2022

Experts estimate that oil and gas revenues account for more than 50 percent of the Russian treasury. 20-25 percent of this money goes to the military.

Since the two Russian banks that mainly handle energy transactions, Gazprombank and Sberbank, have not been excluded from the SWIFT system, the Kremlin continues to benefit directly from

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European money. It still flows into the Russian treasury in the form of extraction and profit taxes, as well as income taxes and dividends. At the same time, the Russian aggression is pushing up world market prices to such an extent that, according to the latest reports, Russian energy revenues have doubled since the war began. All this undermines the effect of the sanctions imposed on Russia.

Therefore, Europe must renounce to Russian energy supplies. This specifically weakens the Russian treasury and the political power structure that has been built up around the oil and gas business. On the other hand, the Russian population is comparatively less affected than by other economic sanctions.

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It is not yet clear how far Moscow will go to secure zones of influence in Europe and Asia. It is equally unclear how long the war of aggression against Ukraine will continue. What is certain, however, is that the European money we are paying today will help

finance Russia's armament for years to come. An embargo on Russian energy supplies is an important and urgent step in support of Ukraine and peace in Europe.

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