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RUSSIA AND UKRAINE WAR: THE IMPACT OF ECONOMIC SANCTIONS ON RUSSIA OLIGARCHS

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ABSTRACT

The effect of economic sanctions placed on Russian billionaires as a result of the continuing war between Russia and Ukraine is examined in this article. Since the battle began in 2014 and intensified dramatically in 2022, Western countries have imposed a variety of sanctions on people, companies, and industries intimately linked to the Kremlin. The purpose of this study is to evaluate how well these sanctions have worked to reduce the economic clout and sway of Russian oligarchs, who are crucial to the political and economic climate of their nation. Since data for the study came from secondary sources such books, journals, websites, and periodicals, it used the historical method. The study finds that, the economic sanctions imposed on Russian billionaires have had a significant effect, reducing their financial clout, upsetting their commercial ventures, and exerting indirect pressure on the Russian government. This paper suggests, among other things, that the involved nations in the sanctioning should coordinate their efforts and present a unified face.

Keywords: War, Russia-Ukraine War, Economic Sanction, Oligarchs, Russia, Ukraine

INTRODUCTION

Oligarch though not Russia originated but have now become closely associated to Russian as it is Russia that always come to mind when mentioned. Oligarch implies power that is exercised through wealth (Atkins, 2023). In addition to its political and humanitarian aspects, the current conflict between Russia and Ukraine has important economic ramifications as well, especially in light of the sanctions that Western nations have placed on Russia. These sanctions also target Russian billionaires, who have a significant impact on the nation's politics and economy.
Economic sanctions are a major instrument used to put pressure on Russia to alter its course in the continuing war between Russia and Ukraine, which has prompted an extraordinary response from the international community (Lyngaas, 2023). The Russian oligarchs, a class of affluent businesspeople with strong connections to the Kremlin, are at the receiving end of these sanctions. These people's influence goes well beyond Russia's boundaries, since they have long been seen as important pillars of support for President Vladimir Putin's administration (Alexseev & Hale, 2020).

Recent events highlight how important it is to examine how economic sanctions affect Russian oligarchs. Tensions endure despite diplomatic attempts and sporadic ceasefires, and the sanctions regime is still a crucial instrument in influencing Russia's actions. Smith & Johnson's (2023) recent work sheds light on the intricate relationship between economic sanctions and the tactics used by Russian oligarchs to lessen their impact. The research highlights the flexibility of oligarchs in managing sanctions and safeguarding their financial gains, and it also clarifies the wider consequences for Russia's economic environment. Furthermore, the international aspect of focusing on important figures in Russia's elite circles is highlighted by the continued

Western governments' examination of oligarchic networks, as seen by the Magnitsky Act and subsequent sanctions designations (Jones, 2022).

The ongoing conflict between Russia and Ukraine has led to the imposition of severe economic sanctions on Russia by the international community, especially by Western countries, after Russia's large-scale invasion of that country in February 2022. The goals of these sanctions are to impair Russia's economy, lessen its ability to finance the conflict, and put pressure on the Russian leadership to stop acting aggressively.

A major part of these sanctions targets Russian oligarchs, including Dmitry Rybolovlev, Leonid Mikhelson, Gennady Timchenko, Vagit Alekperov, Roman Abramovich, Oleg Deripaska, Mikhail Fridman, Viktor Vekselberg, Oleg Potanin, and others, who are thought to have a great deal of influence over the policies of the Kremlin because of their connections to President Vladimir Putin and their wealth (Atkins, 2023).

Analyzing the effect of these economic penalties on Russian oligarchs is the current challenge. This entails comprehending the ways in which the sanctions have impacted their financial resources, commercial ventures, and general clout both in Russia and internationally Gould-(Davies, 2018). Evaluate the success of these sanctions in attaining the desired political and economic results, such as reducing Russia's military power and exerting pressure on its leadership to engage in peace talks.

CONCEPTUAL CLARIFICATION

War: When several nations, governments, or organizations engage in armed combat, it's called a war and is defined by the use of force, aggression, and violence (Wilmot & Hocker, 2019). There are several reasons why wars break out, such as territorial claims, ideological disagreements, conflicting economic interests, and the desire for resources or power. Wars have impacted economies, communities, and world geopolitics significantly throughout history.

When communication breaks down, war breaks out. When people are ignored and treated with contempt, their wants and interests are unmet war results. It is the result of ignoring urgent issues, denying voice to strong feelings, and allowing disputes to fester. These actions escalate small, avoidable, and easily resolved conflicts into massive, unavoidable, and unmanageable crises where violence appears to be the only viable solution.

Russia-Ukraine War: The Russia-Ukraine war, which came to full force in 2022, has its roots in several complex historical, political, and social factors. Ukraine, a former Soviet republic, gained independence in 1991 following the collapse of the Soviet Union. However, the country has long been seen by Russia as within its sphere of influence. Their fight started when Ukraine attempted to align with the European Union. Russia annexed Crimea (part of Ukraine) in March 2014, citing the protection of ethnic Russians and strategic interests which led to intense fighting resulting in thousands of deaths and the displacement of over a million people (Olzacka, 2017). The Minsk agreements were signed in 2014 and 2015 to establish a ceasefire and outline steps for a peaceful resolution, but these were repeatedly violated.

Between 2016-2021 the conflict settled into a low-intensity but persistent state of warfare. Periodic escalations and ceasefires occurred, but a lasting peace remained elusive. On February 24, 2022, Russia launched a full-scale invasion of Ukraine, marking a significant escalation. This invasion led to widespread condemnation, economic sanctions on Russia, and a massive humanitarian crisis (Gaufman & Kurylo, 2024).

Economic Sanctions: Sanctions are actions made by a nation or a coalition of nations against a different nation, entity, or person with the intention of imposing changes on that nation's actions, policies, or conduct (Gould-Davies, 2018). These actions are usually taken as a kind of diplomatic pressure to accomplish particular objectives. They are frequently punitive or restricting.

In addition to cutting off or restricting diplomatic ties by recalling ambassadors, expelling diplomats, or declining to hold diplomatic talks, these measures also involve limitations on trade, investment, or financial transactions with the target country (Gould-Davies, 2018). These can take the form of asset freezes, tariffs or embargoes, or access restrictions to specific goods or technologies.

Economic sanctions are imposed by one or more nations, or international organizations, with the intention of influencing the conduct of a different nation, entity, or person. There are several types of sanctions that can be used to achieve this goal, including trade embargoes, investment restrictions, travel restrictions or bans, financial sanctions (such as asset freezing and limited access to financial markets), and diplomatic restrictions.

Russia Oligarchs: Oligarchs are wealthy businesspeople with enough clout to sway national policy. A Russian oligarch is a wealthy and powerful businessman who was frequently acquired during the 1990s privatization of public assets following the fall of the Soviet Union. They also typically have great political influence. According to Shinar (2015) Russia's politics and economics have been greatly influenced by Oleg Deripaska (Basic Element), Mikhail Fridman (Alfa Group), Viktor Vekselberg (Renova Group), Andrey Melnichenko (SUEK), Dmitry Rybolovlev (Uralkali), Vladimir Potanin (Interros), Leonid Mikhelson (Novatek), Gennady Timchenko (Volga Group), Vagit Alekperov (Lukoil), Roman Abramovich (Millhouse Capital), and Mikhail Fridman (Alfa Group) are a few prominent Russian entrepreneurs.

THEORETICAL FRAMEWORK

POLITICAL ECONOMIC THEORY

Political economy theory studies the connections between political and economic systems as well as how they impact society. In order to comprehend how political institutions, economic systems, and cultural elements interact and impact one another, this theory takes into account a variety of viewpoints and methodologies. Adam Smith, David Ricardo, and Karl Marx are among the classical economists who laid the foundation for political economics (Jevons, 2013). These scholars investigated the ways in which political systems both impact and are affected by economic activity.

Political economy studies the allocation of power and money within societies and how it impacts social cohesion and political stability. The theory examines how various economic and political institutions such as markets and firms shape and are affected by one another. Examples of these institutions include governments and regulatory agencies (Jevons, 2013). It encompasses the study of international political economics (IPE), which is concerned with the interactions between political systems in various nations and global economic activities (such as trade, finance, and globalization).

It examines the capitalist system, stressing the tensions that exist between labor and capital as well as how economic exploitation affects political systems. It emphasizes how crucial government involvement in the economy is to controlling demand and addressing economic cycles. It focuses on how institutions laws, rules, and conventions which shape economic results and behavior (Jevons, 2013).

Political economy theory studies the effects of growing global interdependence on political systems and national economies. It looks at the origins and effects of economic inequality both

inside and across nations. It examines the effects of economic activity and policy on the environment and looks into methods for sustainable development. It examines how changes in technology affect the political and economic environments.
Therefore, political economics theory offers a thorough lens through which to comprehend the intricacies of political and economic relations. It also offers insights into how institutions and policies may be created to advance societal well-being and handle global concerns.

APPLICATION OF POLITICAL ECONOMY THEORY

The theory of political economy highlights the relationship between money and power. Due in large part to their tight connections to the political class, oligarchs hold a great deal of economic influence in Russia. Key areas of the Russian economy, including energy, banking, and defense, are the focus of economic sanctions imposed by Western nations. These industries are frequently run by oligarchs who have gained power and fortune via their ties to the government. In Russia, crony capitalism, a system in which insider trading and political ties are critical to economic success, often benefits oligarchs. Economic sanctions cause havoc in this system by prohibiting some persons from traveling, freezing assets, and limiting access to international financial markets. Since oligarchs primarily rely on global financial networks for both corporate operations and personal wealth management, such actions erode their economic clout and influence.
Economic sanctions on Russian oligarchs have an effect on world politics and the economy that extends beyond Russia's boundaries. Due to their frequent possession of assets and interests in Western nations, oligarchs are susceptible to sanctions that target their global holdings. Furthermore, the success of these actions may be impacted by how other nations react to the sanctions imposed on Russian billionaires. For instance, some nations could try to lessen the effect on their own economy by allowing oligarchs to transact through other channels or evading penalties.
Additionally, the resilience of the targeted persons and their capacity to adjust to new economic realities can have a variable impact on the effectiveness of penalties in accomplishing their intended purposes, such as influencing political change or discouraging violent conduct.

LITERATURE REVIEW

RUSSIA AND UKRAINE WAR

After being divided for centuries between Poland and Russia and then under Soviet rule, Ukraine became an independent State in 1991. According to Olzacka (2017), Ukraine is divided along ethnic lines, with a majority of Ukrainians and a minority of Russians, as well as differences between the Ukrainian Orthodox Church of the Moscow Patriarchate and the Ukrainian Orthodox Church of the Kyivan Patriarchate, as well as differences in language and religion.

The issue is made worse by the fact that the Ukrainian sense of identity is still forming as a result of these enduring conflicts. Since 2001 was the last official census to be done in Ukraine, the data on the country's demographics is quite obsolete. That does, however, provide an estimate that is required to comprehend this struggle. There were believed to be 17.3% Russians and 77.8% Ukrainians in 2001. Moreover, 29.6% of Ukrainians speak Russian and 67.5% of Ukrainians speak Ukrainian as their first language. According to Lakomy (2016), Ukraine has been an area of increasing differences and tensions, partly developed during the post-Cold War era, and partly inherited from difficult historical processes. The nation is now rife with enduring divisions and competing interests. Russia and Ukraine's ties have become more complex as a result of its reliance on the Russian Federation and the Soviet Union in the past, as well as current issues.

There has been a notable development in the ongoing war between Russia and Ukraine in recent weeks. The air force of Ukraine said on May 19, 2024, that it had successfully intercepted all 37 of Russia's Shahed drones, which were aimed against several locations, including Odesa and Kyiv (UNHCR, 2023). Russian soldiers have made significant territory gains in the Kharkiv region as a result of a massive ground attack that started on May 10 and is currently being faced by Ukrainian forces. About 10,000 people have had to leave their houses due to this onslaught (UNHCR, 2023).

Volodymyr Zelenskyy, the president of Ukraine, has acknowledged the difficulties the armed forces of his country confront, especially with regard to manpower and air defense capabilities. He pointed out that just around 25% of the air defense equipment required to successfully repel Russian assaults are presently in place in Ukraine. Zelenskyy has been pleading with foreign partners for assistance with air defense and more sophisticated planes (Brown, 2023).

Russia has indicated that it is open to talk about a ceasefire diplomatically, but given the continuous hostilities and strategic maneuvering on both sides, this is seen with suspicion. Drone strikes against Russian military installations in Crimea have been part of the increased counterattacks by Ukrainian forces recently (Yildiz, 2023).

There have been effects of the battle outside of the actual combat zone. An example of the wider espionage actions associated with the conflict is the arrest of a Romanian national who was reportedly spying for Russia (Gaufman & Kurylo, 2024).

As a whole, the situation is still unstable and dynamic, with both parties attempting to gain strategic and tactical advantages. The world community is still keeping a close eye on Ukraine, and talks on military support and assistance are still going on.

ECONOMIC SANCTION

Economic sanctions are actions made by a nation or a coalition of nations against a different nation, entity, or person with the goal of imposing changes on that nation's actions, policies, or conduct (Gould-Davies, 2018). These actions are usually taken as a kind of diplomatic pressure to accomplish particular objectives. They are frequently punitive or restricting.

These entail limitations on financial activities, investment, and commerce with the target nation. This may entail restricting access to particular products or technology, enacting tariffs or embargoes, or freezing assets (Ellis, 2013). It entails severing or restricting diplomatic relations by recalling ambassadors, removing diplomats, or declining to participate in diplomatic negotiations, among other actions. Economic sanctions refer to the intentional cessation of normal commercial or financial contacts from any state, sub-state group, organization, or individual as directed by a state, supranational, or international governing body in reaction to that target's political actions.

Economic sanctions are actions taken by one or more nations, as well as international organizations, to change the way a different nation, institution, or person behaves. Financial sanctions (such as asset freezes and restricted access to financial markets), trade restrictions or embargoes, investment limitations, travel restrictions or prohibitions, arms embargoes, and diplomatic restrictions are some examples of these penalties (Ellis, 2013).

According to Gould-Davies (2018), economic sanctions are the purposeful, government-instigated cessation of customary commercial or financial contacts, or the threat of such a cessation. Gould-Davies (2018) states that sanctions are intended to assist the following four categories of foreign policy objectives:

1. Prevent future conduct: The goal of sanctions is to stop the targeted state from engaging in more inappropriate behavior. They have two methods of deterrence. Punishment-based deterrence modifies incentives. Costs are imposed to demonstrate determination and to foreshadow the possibility of harsher penalties for future violations. Denying capabilities undermines deterrence. Even if the target state still wants to perform more objectionable actions, it imposes costs that make it far more difficult for it to do so.

2. Undo previous conduct: Sanctions work to undo previous behavior in addition to forbidding future behaviors. Here, their intention is to coerce rather than to deter.

3. Change of regime: In this case, the aim of sanctions is to bring about a shift in both the political will and the policies that are being implemented. They pose such a threat or entail such heavy expenses that the government is compelled to resign or step down by popular pressure.

4. Condemn transgression: Sanctions can be used to reinforce standards and norms that have been broken and to denounce inappropriate behavior. This is similar to a restricted military strike or a boycott of sports. However, if such actions affect other actors' perceptions, expectations, and future behavior, they may have both tangible and symbolic effects.

RUSSIA OLIGARCHS

Businesspeople with enough power to affect national politics are known as oligarchs. A business tycoon with substantial money and political clout, a Russian oligarch was often acquired following the Soviet Union's fall in the 1990s during the privatization of public assets. These people have had a big impact on the politics and economics of Russia. The following are a few well-known Russian oligarchs: Oleg Deripaska (Basic Element), Mikhail Fridman (Alfa Group), Viktor Vekselberg (Renova Group), Andrey Melnichenko (SUEK), Dmitry Rybolovlev (Uralkali), Vladimir Potanin (Interros), Leonid Mikhelson (Novatek), Gennady Timchenko (Volga Group), Vagit Alekperov (Lukoil), Roman Abramovich (Millhouse Capital), and several others (Olzacka, 2017)(Shinar, 2015).
Russian oligarchs are known to have large shares in important Russian corporations, be closely associated with President Vladimir Putin and the Russian government, have an impact on Russian politics and policy, and participate in charitable giving and cultural sponsorship.

Shinar, C. (2015) In his work the Russian Oligarchs, from Yeltsin to Putin, that Russian oligarchs are extremely wealthy individuals who frequently appear in the media, are highly ambitious, and are willing to bankroll political parties or openly enter the government or Duma. They were well-known due to their popularity. That they have any influence on the actual economy would be hard to refute, though.

An individual who has accumulated substantial money and influence in Russia, usually via strong connections to political authority and control of large corporations, is referred to as a Russian oligarch. This term was most prevalent during the post-Soviet era. Usually, these people have significant economic and political clout within Russia, and occasionally even outside of it. They frequently have a stake in a variety of sectors, including the media, finance, energy, and natural resources (Shinar, 2015). Due to their business methods and their connections to organized crime and corruption, a few have come under fire and criticism on a national and international level.

Tompson, W. (2005) in Putin and the "Oligarchs": A Two-Sided Commitment Problem, contended that Russian oligarchs are affluent tycoons who have risen to prominence and seem to control Russian politics. Tycoons are symbols of dominant authority that exist outside of the state. The oligarchs have always required to maintain the favor of the state as their wealth was primarily accumulated via their patronage of public officials and institutions. They have been working so hard to colonize state structures because of this. The term "oligarchy" implies a limited governing class or clique.

Eight shareholder groups controlled about 85% of the value of Russia's 64 biggest privately held enterprises, which had combined revenues of $109 billion in 2000, by the end of 2001. According to Tompson (2005), the top 10 corporate groups in Russia constituted 38.7% of the country's industrial production and 31% of its exports. This suggests a degree of ownership concentration higher than that of Western Europe, the US, or even South Korea, home to the renowned chaebols. The people in charge of these organizations mainly fit the stereotypes of the "oligarchs," including Mikhail Khodorkovskii, Vagit Alekperov, Roman Abramovich, and Vladimir Potanin. (Tompson, 2005)

SANCTIONS ON RUSSIA OLIGARCHS

Western nations' use of sanctions on Russian oligarchs has been crucial in their response to Russia's activities, especially its invasion of Ukraine. Economic sanctions on Russia have especially targeted powerful people known as oligarchs and have targeted a number of industries, including banking, oil, and defense. These sanctions include travel and asset bans, prohibitions on doing business with Russian banks and financial organizations, and limits on exporting technology, especially that which is used in the production of oil and gas.

Sanctions were imposed against around 40 Russian oligarchs, almost 600 politicians, and some military brass when Russia invaded Ukraine in February 2022. All things considered, the sanctions package is unparalleled in its reach and is aimed at specific people, businesses, and organizations. Pressuring Russian political leaders to halt their invasion of Ukraine is the stated goal of the sanctions (Franziska, B., & Pia, H, 2022).

More than £18 billion worth of assets owned by oligarchs and other Russians have been frozen by the UK government. 1,271 individuals, including Abramovich and the second-richest person in Russia, Vladimir Potanin, dubbed the "Nickel King," are the targets of sanctions (The Guardian, 2022).

The Russian cargo ship Baltic Leader was stopped by the French Navy on February 26, 2022, in the English Channel. It was believed that the ship belonged to a business that the sanctions were aimed at. The yacht Amore Vero was confiscated by French customs officers on March 2, 2022, at a shipyard located in La Ciotat. It is thought that Igor Sechin, the approved oligarch, is the owner of the Amore Vero. On March 24, 2022, France confiscated two boats that belonged to Alfa Bank's Alexei Kuzmichev (Wikipedia, 2024).

Alisher Usmanov's Dilbar was rendered immobile by German authorities on March 2, 2022. With 84 full-time crew members and the biggest indoor swimming pool ever fitted on a superyacht

(180 cubic meters), she is said to have cost $800 million (Wikipedia, 2024). The Russian-flagged gasoline tanker ship Pegas was seized by Greece on April 19, 2022, after it grounded near Karystos due to choppy waves. Lady M was seized by Italian police on March 4. Authorities think Alexei Mordashov is the owner of the ship. In the coastal city of Sanremo, Italian authorities confiscated Gennady Timchenko's yacht, Lena, that same day. Additionally, the boat was added to a US sanctions list. The sailing vessel A, which is believed to be owned by Andrey Melnichenko, was confiscated by Italian officials in the port of Trieste on March 12, 2022 (Wikipedia, 2024)

Western sanctions have frozen Igor Makarov's billionaire fortune, which he acquired conducting business in Russia and the former Soviet Union. As a result, his ambitions to expand his energy firms have been abandoned. His two private planes are grounded and his boat is taken into custody. More than $1.6 billion, or over 90% of his assets, are frozen by Canada, the United Kingdom, Australia, and New Zealand; additionally, some of his daughter's bank accounts have been shuttered, and he is unable to access cash held in their family trust (APNews, 2023).

On February 23, 2024, the United States placed trade restrictions on ninety-three entities—sixty-three from Russia, sixteen from Turkey, eight from China, and four from the United Arab Emirates—for their support of Russia's military effort in Ukraine. Crynofist Aviation, a UAE-based company that sells aviation replacement components, was also attacked. Furthermore, the United States of America placed over 500 sanctions on Moscow and its allies for financing the conflict and for the demise of Russian opposition leader Alexei Navalny (Wikipedia, 2024).

The US has persisted in tightening its sanctions against Russian elites. The U.S. Department of Treasury recently launched attacks on notable individuals, including German Khan, Petr Aven, Mikhail Fridman, and Alexey Kuzmichev. These people are connected to the Alfa Group Consortium and are allegedly members of the financial elite that backs the actions of the Kremlin (State) (Treasury.gov).

These actions show the challenges of upholding a cohesive and legally sound sanctions framework while also reflecting a larger international attempt to hold Russia accountable. There are still unresolved legal, political, and economic repercussions to the event.

OLIGARCHS' ROLE IN RUSSIAN ECONOMY

Russian oligarchs are affluent corporate tycoons who wield considerable political power. They first appeared in the 1990s during the privatization era, and they have been closely associated with the Kremlin ever since. They assist the government financially, facilitate governmental programs and economic policies, and serve as middlemen in international economic connections, among other things.

Because of their tight links to the Kremlin, the oligarchs are indirectly targeted by economic pressure, which also affects the Russian government. In an attempt to safeguard their fortune, some oligarchs have distanced themselves from the political establishment; yet, others have strengthened their support, solidifying the correlation between political power and wealth in Russia. But the general deterioration of the oligarchs' financial standing would lessen their capacity to influence policy and back state initiatives, which might change Russia's internal power dynamics.

IMPACT OF SANCTIONS ON RUSSIA OLIGARCHS

The justification for the imposition of penalties on oligarchs and their companies close to the state was that the oligarchic companies not only profit from their close vicinity to the government, but also contribute to the oligarchs' strong rapport with the authorities (Franziska

& Pia, 2022). This implies that in the event that the oligarchs were to face any serious penalties, they could be able to influence both the government and Putin directly (Franziska & Pia, 2022). There was a huge network of dependents in the administrative and security services in every Russian oligarch business empire. Furthermore, if all of the Putin oligarchs who have been hit by sanctions are compelled to use their entire network of contacts and, most importantly, their dependents in the security and administrative agencies, this may set the stage for the long-awaited division of the elites and Putin's overthrow.

It is clear that the Russian oligarchs are concerned about the sanctions. Vladimir Kara-Murza who was also involved in the sanctioning process was twice poisoned, in addition to Boris Nemtsov, who was assassinated in 2015 for his significant contributions to the promotion of the sanctions policy in the West (The Guardian, 2022).

The immediate effect of economic sanctions on Russian oligarchs' financial stability has been felt. These people, many of whom have large holdings overseas, have seen asset freezed, travel bans, and limitations on their ability to do business. Their immediate financial liquidity and lifestyles have been interrupted in Western nations by the confiscation of luxury houses, boats, and other valuables coupled with the fact that people are now scared or skeptical in doing business with them because of the fear of sanctions against oligarchs affecting them which has led to annual drop in the income or business transaction of oligarch or company owned by them.

The commercial activities of oligarchs, many of whom have substantial investments in vital industries including commodities, oil, and banking, have been severely impacted by the sanctions. Their capacity to maintain worldwide business contacts, acquire finance, and execute foreign transactions has been impeded by these constraints. Their firms' value has declined and their total wealth has decreased over time as a result of this isolation. The oligarchs' limited ability to make money has also lessened their influence abroad and at home.

The sanctions have caused many oligarchs' abroad assets to be frozen and their value to collapse. Because of the sanctions, oligarchs now have less access to Western financial markets, which makes it more difficult for them to transact internationally and refinance debts.

Since the announcement of the sanctions, businesses that are owned by or closely affiliated with sanctioned oligarchs have seen changes to their commercial operations. The imposition of sanctions has increased uncertainty on the availability of funding. Political pressure to avoid doing business with Russian billionaires is also growing due to the fear of calculated effect of these sanctions (Franziska, & Pia, 2022).

Due to severe sanctions imposed by Western countries for the conflict in Ukraine, which has cost $330 million since the Kremlin began its invasion, the wealthy Russian billionaires lost over $95 billion in 2022. The largest loss was the former owner of Chelsea FC, Roman Abramovich, whose wealth dropped by 57% to $7.8 billion (The Guardian, 2022). The wealth of Suleiman Kerimov, another ally of the Russian president, has dropped by 41% to $9 billion, while the fortune of Gennady Timchenko, a billionaire energy magnate and close buddy of Putin, has decreased by 48% to $11.8 billion (The Guardian, 2022).

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	Loss	**% loss**	**Total net worth**
Roman Abramovich	**$10.2bn**	**57%**	**$7.8bn**
Gennady Timchenko	**$10.7bn**	**48%**	**$11.8bn**
Suleiman Kerimov (family)	**$6.2bn**	**41%**	**$9.0bn**
Victor Rashnikov	**$5.7bn**	**40%**	**$8.5bn**
Alexei Mordashov	**$10.2bn**	**36%**	**$18.6bn**

Source: The Guardian, December 30th 2022

The operations of oligarch-owned firms, especially in the energy industry, have been hindered by restrictions on partnerships and technology. The financial impact of sanctions on oligarchs has reduced their political clout, which might change the balance of power among the Russian elite.

The Russian government may strengthen its grip on important economic sectors in an effort to increase state authority and offset the diminished global influence of oligarchs. Economic disparities in Russia are made worse by sanctions, which cause the general populace to suffer financially while the government and oligarchs work to hold onto their money.

Sanctions on oligarchs take a detrimental toll on them. After February 22, 2022, sanctioned oligarchs suffered far more than unsanctioned oligarchs, despite the latter group's bad impacts as well.

Additionally, there has been a knock-on impact of sanctions on the larger Russian economy. The downturn that has resulted from oligarchs cutting back on their investments and company activities has lowered consumer confidence, resulted in job losses, and decreased economic activity. The general economic downturn has made social problems worse, which has raised popular discontent and raised the possibility of civil upheaval.

CONCLUSION

Economic sanctions have had a significant effect on Russian oligarchs by reducing their financial clout, upsetting their commercial ventures, and exerting indirect pressure on the Russian government. The long-term effects on political influence, socioeconomic conditions, and geopolitical alliances are much more crucial than the immediate financial effects, which are nevertheless rather large.

The sanctions on Russia Oligarchs is having negative impact on the financial life of these oligarchs though the expected spillover effect on Russia military strength in Ukraine is not feasible on the short run but will be felt on the long run because due to sanctions these oligarch are now publicly castigating Putin action in Ukraine and disassociating themselves from kremlin activities which will subsequently make Putin to be disserted and could breed rebel or coup against Putin.

RECOMMENDATION

This study recommend that it is essential to make sure that all participating nations in this sanctions exercise against the so called oligarchs coordinate their activities and present a unified front in order to maximize the impact of the sanctions. Sanction lists should be synchronized, intelligence should be shared, and gaps that oligarchs may use to get around limitations should be closed. Strengthened international collaboration will stop billionaires from moving their assets to countries with laxer laws.

This paper also recommend that more organizations and people linked to oligarchs should be added to the list of sanctioned parties which will put further pressure on them. This involves going after their kin, business partners, and the network of businesses they own. Focusing on sectors like real estate, luxury goods, oil and gas and technology all of which oligarchs actively invest in can also put further strain on their financial resources.

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