

GREAT DECISIONS

Winter 2023 Update

Energy Geopolitics • War Crimes • China and the U.S. •
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Energy Geopolitics

Recently U.S. gas prices have fallen below the national average. In December, a number of factors have resulted in this price drop. First, fears of a recession have caused the price to drop as consumers have limited their spending on gas in an attempt to save. Second, Biden's release of the nation's petroleum reserves has caused the price to drop by expanding the supply of gas in the market. And finally, China's covid lockdowns that were in effect up until the end of 2022 resulted in a price drop as demand for gas decreased across the country. Generally, a worldwide decrease in energy demand has led to the current falling gas prices. As of December 1, 2022, a gallon of regular gas costs about \$3.47, which is below the \$3.54 average taken on February 24, 2022, the day that Russia invaded Ukraine.

The ongoing war in Ukraine had increased gas prices for European countries, which rely heavily on Russia's gas and oil exports. Now, unseasonably warm weather in northwestern Europe has reduced demand for heating and allowed for countries to replenish their oil reserves. The EU has begun to import liquid natural gas (LNG) from the United States, as an alternative to Russian gas, which has also lowered prices.

Anders Opedal, the chief executive of Norway's state oil company, Equinor, said factors including windfall taxes and energy firms switching to greener alternative energy sources will soon increase gas prices in the UK. According to Opedal, "We need more renewables. This will require a lot of invest-

ment and these investments need to be paid for. I would assume energy bills will be slightly higher than in the past but not as volatile as today."

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The UPDATES take into account events up to January 26, 2022.

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War Crimes

Almost a year since it began, the war in Ukraine continues. On January 8, 2023, a total of 100 soldiers were returned to their respective home countries in a prisoner exchange. Most Ukrainian soldiers released were defenders of Mariupol, the southern Ukrainian port city that fell to Russia in May. One soldier describes his anxiety because he feels they have let down the country, “All of us from Mariupol worry so much. We lost the city, we couldn’t fight them off, we don’t know how people will react to us.” Despite this, the soldiers were welcomed with open arms. They were given medical treatment and cell phones to call their families

Most bear not only the physical scars of months of captivity within Russia, but also psychological ones. One of the two women rescued, a radio intelligence officer, describes her treatment at one of these camps, “[We] were told lies that half of Ukraine was now a part of Russia, ‘brainwashed’ and forced to read Russian poetry and sing Russian songs, and pledge allegiance to ‘Mother Russia.’”

In light of the escalating conflict in Ukraine, an international meeting on war crimes will soon take place in London. Co-hosted by UK Deputy Prime Minister Dominic Raab and Dutch Minister of Justice and Security Dilan Yeşilgöz-Zegerius, the participating nations will focus on how to aid the investigations and prosecutions of war crimes committed in the Russia-Ukraine conflict. In reclaimed areas of Ukraine, prosecutors continue to gather evidence of atrocities and sexual violence. Raab said, “Almost a year on from the illegal invasion, the international community must give its strongest backing to the ICC [International Criminal Court] so war criminals can be held to account for the atrocities we’re witnessing.” The ministers will also discuss how to help victims and witnesses testify without causing them further distress. Yeşilgöz-Zegerius described Russia’s attacks on Ukraine as “unlawful” and “horrific,” adding that “these crimes may not go unpunished.”

With the new year, the *Kyiv Post*, which proclaims itself as Ukraine’s Global Voice, released an opinion piece on possible scenarios for the Russia-Ukraine conflict. The author, Ihor Zhadanov, notes that foreign aid will be the “key factor” in determining the outcome of this war.

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China and the U.S.

The Chinese economy experienced a big slump at the end of 2022 due to the government’s adherence to a “zero tolerance” policy on Covid and the resulting lockdowns. On December 7, 2022, Beijing lifted the strict zero-Covid policy that has been in place since the outbreak of the pandemic three years ago. The decision to lift the policy is largely due to mass street protests that broke out at the end of the year, as well as the hope that by doing so the Chinese economy will begin to rebound as businesses reopen.

At the World Economic Forum in Davos, Switzerland, in mid-January, senior government official Liu He predicted that “the Chinese economy will make a significant turnaround in 2023.” Whether it does or not is uncertain, however, for several reasons: large unvaccinated sections of the population are likely to get sick, the economy’s property sector is weighed down by corporate debt, and the nation’s population has begun to shrink. All three of these factors do not signal a positive economic future for China.

With regards to China’s diplomacy, for the past year China and Russia have grown increasingly close

in the aftermath of Russia's invasion of Ukraine. China's leader Xi met with President Putin at the end of December in a video conference where the two leaders further solidified their strong bond. Both countries view the United States and the west as a common threat, and are in agreement over the war in Ukraine. China's state-owned *Global Times* wrote in a recent commentary, "The U.S. is making all efforts to cheer Ukraine on so it can continue its conflict with Russia.... Washington hopes to use the war to completely crush Moscow, including making the latter lose its moral position within the international community."

The two countries have also increased economic ties in an effort to match their increasingly close diplomatic relationship. China accounted for more than one quarter of Russia's total imports in the first nine months of the year, and in turn China has become a critical customer of Russian fossil fuels. It is safe to assume that the close relationship between China and Russia will endure and that the two countries will continue to view the west and the United States as a common threat.

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Politics in Latin America

In Latin America, newly elected left-leaning officials are tasked with pleasing both sides of the political spectrum as well as fixing their own economies. In Chile, President Gabriel Boric took office in March as one of the country's most progressive and young leaders. Issues including the rejection of a newly proposed constitution have caused Boric to lose popularity. As a rebounding effort, Boric replaced some of his cabinet members with more-experienced establishment figures.

As in Chile, former Peruvian President Pedro Castillo attempted to dissolve congress and elect a constituent assembly to draft a new constitution in response to a chaotic year. Castillo ended up impeached, detained by police, and replaced by a former leftwing ally. Colombia's election of Gustavo Petro, who set about fixing inequality with tax and land reforms, brought about more unrest. His proposed ban on new oil and gas exploration and second-guessing of central bank policies frightened investors.

In Brazil, newly elected leftist president, Luiz Inácio Lula da Silva, still clashes with former rightwing president, Jair Bolsonaro, after narrowly winning a runoff election by 2%. On January 8, 2023, Bolsonaro's supporters stormed the capitol building believing that the election was rigged. Adorned with Brazilian flags, the protesters scaled the building, fighting with police who responded with tear gas.

The current unrest within Brazil speaks to a larger trend that currently plagues all of Latin America: deep political division and the winding down of the Latin American "pink tide." As demonstrated in the Chilean and Peruvian rejection of new constitutions, Colombia's economic unrest, and the Brazilian insurrection, whenever left agendas are attempted or left officials elected, both are met with increasing resistance from the right.

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Iran at a Crossroads

Protests in Iran have continued to intensify with the deaths of over 500 protestors, including 69 children. Women and youth, who are at the forefront of most of the protests, are outraged over the murder of Mahsa Amini. According to Mahsa’s family, on September 13, 2022, she was beaten after being arrested by the morality police for improper veiling. Amini died three days later.

Authorities have begun to crack down on the protests, with victims coming forward about their treatment within Iranian prisons. A 16-year-old boy, Arshia Emamgholizadeh, was arrested in the north-western city of Tabriz in November. He was accused of “turban tossing,” or knocking off the turbans of Shia Muslim clerics, a popular trend among young protestors. Arshia was only held for 10 days, but committed suicide two days later; something his family blames on his treatment in prison. During his detention, a source close to the family said that Arshia had been beaten with batons and given unknown pills.

The Iranian government has also begun to execute people. These executions differ from the random deaths of protestors and children because the convicted are presented before a court and given a formal trial. Mohammad Mehdi Karami and Seyed Mohammad Hosseini were both hanged on January 7, 2023. According to Iran’s judiciary news agency, Mizan, the pair was convicted of killing Seyed Ruhollah Ajamiyan, a member of the country’s Basij paramilitary force, in Karaj on November 3, 2022. Mohammad Hossein Aghasi, a lawyer advocating for Karami, posted to Twitter saying that Karami was not given the right to speak to his family before his execution. In recent months, as many as 41 others have been given death sentences.

Because of this, the United States, EU, and UK have

imposed sanctions on Iran. The United States has targeted the Islamic Revolutionary Guard Corps (IRGC), aiming to stop the funding of the regime’s “brutal suppression” and the officials coordinating Tehran’s crackdown at the national and provincial levels. The European Union has imposed sanctions on over 30 Iranian officials and organizations, blaming them for the “brutal crackdown” on protestors and other human rights abuses. Similarly, the UK imposed sanctions on Iranian individuals and entities on January 23, 2023 for the country’s “brutal repressions” of its people.

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