

Gazprom: A Weapon of the Kremlin, in Metaphor and Reality

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Vladimir Putin and Gazprom CEO Alexei Miller at the Turkish Stream pipeline connection in 2017. **Sergei Guneev / RIA Novosti / Gazprom**

Soon after becoming president of Russia more than 20 years ago, Vladimir Putin began to use state-owned gas giant Gazprom for political ends. Since then, the enormous company has gradually gained a reputation as one of the Kremlin's principal foreign policy tools. Experts, journalists and political analysts have frequently used the metaphor “weapon” to describe how the Kremlin achieved its political goals thanks to the company.

Now, however, the phrase “Gazprom: Putin's weapon” appears to be the literal truth.

Over the weekend, it was revealed that Gazprom has set up its own private army, named Potok (“The Stream” in Russian), and sent recruits to fight in Ukraine. This information came from [Yevgeny Prigozhin](#), the head of Russia's Wagner mercenary group, whose soldiers fought in Syria and Africa before being sent to the battlefields of Ukraine.

In a 30-minute [interview](#) published on Telegram late Friday, Prigozhin described conversations with members of Potok. The men were dirty, exhausted and scared, he claimed, and complained about communication problems as well as issues with weapons and uniforms. Some apparently said that they were tricked — when they signed up, they were told they would be guarding some factory or another in Russian-controlled Luhansk, not fighting on the frontlines. At the same time, according to Prigozhin, salaries in Potok are so high that if the same amount was paid by other mercenary companies, “the country would fall apart.”

Back in February, Ukrainian intelligence raised warning flags about the proliferation of Russian mercenary companies following Wagner’s lead. Citing evidence from a Russian government document published online, they [claimed](#) Gazprom was forming its own group of soldiers-for-hire. This document laid out the right of Gazprom Neft (a subsidiary of Gazprom engaged in oil production and refining) to create its own private security organization to guard the company’s wells, oil storage facilities and refineries.

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Of course, it’s possible that Gazprom created Potok independently, and the organization whose creation was sanctioned by the government decree is indeed protecting oil production facilities. Nevertheless, the fact remains: Gazprom is now directly involved in the war. It’s official.

For over 20 years, Gazprom has been a symbol — if not *the* symbol — of Russian [state capitalism](#). Under the stewardship of Putin’s close friend Alexei Miller, it has frequently been ranked as Russia’s biggest company, generating huge profits for the state along with its other shareholders and hundreds of contractors. All along, it has done much more than just extract and refine natural gas — it also financed projects from TV channels to football clubs and a ski resort.

Now, Gazprom is paying for Ukrainians to be killed. This sounds almost unbelievable — especially when you remember that, until recently, Gazprom was the largest supplier of natural gas to Europe; its shares were traded in London and Singapore; and one of the company’s most outspoken political advocates was former German Chancellor Gerhard Schröder.

For many years, Gazprom was even one of the main sponsors of the Champions League and its blue-and-white advertisements were seen by hundreds of millions of people around the world during top-flight football matches. Even amid the war in Ukraine, Alexander Dyukov, the head of Gazprom Neft, remains a member of the executive committee of the Union of European Football Associations (UEFA). In recent months, Dyukov has been negotiating to try and lift a ban on Russian football clubs from participating in European competitions that was imposed when Moscow launched its full-scale invasion of Ukraine.

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Furthermore — at least, according to Prigozhin — Gazprom is not the only Russian company

that has assembled its own private army and sent men to fight in Ukraine. The Wagner Group leader said that setting up mercenary groups is fast becoming fashionable among Russia's wealthy elite — not only because it's an easy way to signal enthusiastic support for the Kremlin, but because some of Russia's most influential men and women believe that mercenaries may prove valuable during any future power struggle.

It can probably be assumed that other Russian state-owned companies run by people close to Putin now also have — or will soon have — their own paramilitary units. Such a list would likely include Rosneft, Russia's largest oil company whose shares are still owned by British oil major BP; pipeline monopoly Transneft; and perhaps even Russian Railways and state-owned banks like VTB.

Does the widespread creation of these groups of guns-for-hire mean Putin may soon leave the Kremlin and that his entourage is preparing for such an eventuality? Of course not.

However, if Putin manages to remain in power after the end of the war, then the existence of private armies means that the struggle within the Russian elite to appoint his successor could very quickly turn bloody.

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