

GEOECONOMIC STATECRAFT AND THE STABILITY PARADOX: RUSSIAN ENERGY POLICY, 2024–2025

Mohamad Amirunnaufal

Kazan Federal University

Mamirunnaufal@stud.kpfu.ru

Allynka First Aurora

Universitas 17 Agustus 1945 Surabaya

allynkaaurora9@gmail.com

Abstrak: This article analyzes Russia’s energy policy in 2024–2025 through a geoeconomic statecraft framework that integrates asymmetric interdependence, state capitalism, and identity-based foreign policy. Existing scholarship has analyzed these dimensions in isolation, leaving unexamined how their interaction generates contradictory stability outcomes during periods of accelerated market adjustment. The study addresses how Russian energy strategy operates not to maximize commercial returns but to preserve regime resources and generate political leverage via pricing, infrastructure control, and selective rent-sharing with key partners. Using qualitative analysis of policy documents, bilateral energy agreements, and multilateral forum proceedings, the article finds a stability paradox: measures strengthening Russia’s domestic position—fiscal capacity and elite cohesion—simultaneously amplify global instability through supply uncertainty, infrastructure politicization, and accelerated counter-diversification by importers. The 2024–2025 period reveals a dual adjustment where European vulnerability-reduction efforts and Russian market reorientation generate new distributional conflicts even as older dependencies diminish.

Keywords: Energy Policy, Geoeconomic Statecraft, Geopolitics, Russian Politics, Stability Paradox

Article History: Received 30 March 2026, Revised: 21 April 2026, Accepted: 17 July 2026, Available online 18 July 2026

INTRODUCTION

An analysis of Russian energy politics that connects domestic governance to external bargaining and global stability outcomes remains fragmented, especially for the 2024–2025 period of accelerated market and policy adjustment. This article addresses that gap by asking how and why Russia uses energy policy as a tool of state power, and what this implies for national stability inside Russia and for stability in the wider international energy system. Existing scholarship has advanced our understanding of individual dimensions—Russia’s use of energy as

a foreign policy instrument, the structural features of its state-capitalist energy model, and the dynamics of European energy diversification—but has not integrated these dimensions within a unified analytical framework capable of explaining how they interact to produce contradictory stability outcomes.¹

Specifically, the article poses two research questions: (1) How does Russia's energy statecraft simultaneously serve domestic political-economic stability and external leverage objectives during the 2024–2025 adjustment period? (2) Under what conditions does this dual-purpose strategy generate cooperative or destabilizing outcomes in the international energy system?

The argument is that Russian energy strategy is best understood as *geoeconomic statecraft*: a state-capitalist approach that leverages infrastructure, pricing, and institutional participation to manage asymmetric interdependence and to shape the strategic environment. Geoeconomic statecraft, as employed here, refers to the systematic use of economic instruments—trade, investment, resource control, and institutional positioning—to achieve strategic objectives that are not reducible to commercial profit maximization. This concept bridges the gap between purely economic analyses of energy markets and purely strategic analyses of energy as a geopolitical weapon, capturing the dual logic that characterizes Russian energy policy in the period under study.

To develop this claim, the article examines (1) Russia's domestic energy governance incentives and constraints, (2) bilateral energy bargaining especially with European actors, and (3) Russia's engagement in multilateral energy forums. We link these arenas through a single analytical framework. The contribution is twofold: first, treating “energy security” and “equity” as observable governance outcomes rather than rhetorical placeholders; second, identifying a stability paradox in which policies that consolidate domestic order in Russia can simultaneously erode cooperative mechanisms in the international energy system.²

The significance of this analysis extends beyond the Russian case. As energy transitions accelerate and geopolitical competition intensifies, the interaction between domestic governance models and international energy institutions will shape stability outcomes globally. Russia's experience during 2024–2025 offers a

¹ Jason Bordoff and Meghan O'Sullivan, “Oil, Gas, and the Russia-Ukraine Conflict,” Center on Global Energy Policy at Columbia University SIPA, 2022, <https://www.energypolicy.columbia.edu/oil-gas-and-russia-ukraine-conflict>.

² Michael Klare, “Russia's Energy Policy and the Geopolitics of Energy Security,” (2023) 160: 104–112.

critical case because it combines extreme resource dependence, state-capitalist governance, active geopolitical contestation, and simultaneous engagement in multiple institutional arenas—conditions that produce the stability paradox in its most visible form.³

The article proceeds as follows. The next section establishes the analytical framework, specifying how geoeconomic statecraft, asymmetric interdependence, and identity-based foreign policy operate as complementary lenses. The method section details the qualitative research design, data sources, and analytical procedure. The results and discussion section examines three empirical arenas—domestic energy governance, bilateral bargaining with European actors, and multilateral forum engagement—applying the framework to each. The conclusion identifies the stability paradox as the paper’s central finding and discusses its implications for energy governance research.

METHOD

Research Design

This study employs a qualitative interpretive policy analysis designed to trace how Russian energy strategy operates simultaneously across domestic, bilateral, and multilateral arenas during the 2024–2025 adjustment period. A qualitative approach is appropriate because the research questions concern the mechanisms through which energy statecraft generates stability and instability—processes that involve strategic framing, bargaining, and institutional interaction rather than variance across large-N samples. The design applies a structured analytical framework in which three theoretical lenses—asymmetric interdependence, state capitalism, and identity-based foreign policy—are used as complementary interpretive tools rather than competing hypotheses.

Data Sources

The analysis draws on primary and secondary sources bounded by the 2024–2025 temporal scope. Primary sources include official Russian government energy policy documents and presidential directives; published texts of bilateral energy agreements and memoranda of understanding between Russia and European counterparts; proceedings, communiqués, and public statements from multilateral energy forums including OPEC+, the Gas Exporting Countries Forum (GECF), and the St. Petersburg International Economic Forum; and corporate

³ Benuç Alpman, “The Weaponization of Energy by Russia: A Threat to European Security?” (2016).

disclosures from Gazprom, Rosneft, and their European partners. Secondary sources include analytical reports from the International Energy Agency (IEA), the International Renewable Energy Agency (IRENA), and the Center on Global Energy Policy at Columbia University; peer-reviewed scholarship on Russian energy politics, state capitalism, and energy security; and specialist media reporting on contract renegotiations, infrastructure developments, and regulatory changes during the study period.

Analytical Procedure

The three theoretical lenses are operationalized through specific observable indicators. For asymmetric interdependence, the indicators are: substitution cost differentials between Russia and its energy partners, contract structure and duration as measures of lock-in, availability and development stage of alternative infrastructure (LNG terminals, interconnectors, pipeline diversification), and the distribution of adjustment costs when supply relationships change. For state capitalism, the indicators are: state ownership percentages and board-level political appointments in major energy firms (Gazprom, Rosneft), regulatory interventions that subordinate commercial optimization to political objectives, fiscal extraction mechanisms linking energy revenues to state budget stability, and instances where corporate strategy visibly departs from profit-maximizing behaviour to serve foreign-policy goals. For identity-based foreign policy, the indicators are: official discourse framing energy policy through nationalist, civilizational, or post-imperial narratives; instances where identity framing constrains bargaining flexibility or raises the domestic political cost of compromise; and rhetorical patterns in multilateral forums where Russia contests Western-defined norms of energy governance.

The analytical procedure combines documentary analysis with structured comparison across arenas. For each empirical arena, the study first assembles the relevant evidentiary base from the sources described above, then codes the evidence against the theoretical indicators, and finally interprets patterns of convergence and divergence across the three lenses. This triangulation approach strengthens analytical generalization by identifying which theoretical mechanisms operate consistently and which are context-dependent. The procedure is transparent in the sense that the indicators are specified in advance rather than derived post hoc from the data, reducing the risk of confirmation bias in qualitative interpretation.

Findings are organized across three empirical arenas: domestic energy governance (fiscal capacity and elite cohesion), bilateral energy bargaining (the

European adjustment), and multilateral engagement (norm contestation). Within each arena, the analysis proceeds in three steps: presenting specific evidence from the 2024–2025 period, interpreting it through the relevant theoretical lens(es), and comparing it with existing scholarship to identify points of confirmation, extension, or divergence.

Scope and Limitations of Design

This is a qualitative-interpretive study. It permits analytical generalization—identifying mechanisms and patterns that may operate beyond the specific case—but cannot establish the causal weight of individual variables or test probabilistic hypotheses. The 2024–2025 temporal boundary captures a critical adjustment period but may not reflect longer-term structural shifts. The reliance on publicly available sources means that internal decision-making processes within the Kremlin and state energy firms are inferred from observable outputs rather than directly observed.

A further methodological consideration concerns the relationship between the three theoretical lenses. The study treats asymmetric interdependence, state capitalism, and identity-based foreign policy as complementary rather than competing frameworks, applying each to the arenas where its observable indicators are most analytically productive. This design choice privileges explanatory breadth over parsimony. The trade-off is that the study cannot adjudicate between the three frameworks or establish their relative explanatory weight—a limitation that future comparative or quantitative research should address by testing the frameworks against each other using operationalized variables across multiple cases.

RESULTS AND DISCUSSION

Domestic Energy Governance: Fiscal Capacity and Elite Cohesion

Russia's domestic energy governance during 2024–2025 reveals the mechanisms through which state capitalism converts resource endowments into political stability. The state's controlling stakes in Gazprom and Rosneft—combined with regulatory authority over pipeline access, export licensing, and taxation—enable political objectives to override commercial logic in ways that are analytically significant for the stability paradox this article identifies.⁴ Unlike market-oriented energy governance systems where corporate strategy responds

⁴ Dmitry Matveev and Sergey Vakulchenko, "The Future of Russian Energy Exports: Challenges and Opportunities," *Energy Policy* 23, no. 2 (2024): 123–40.

primarily to price signals and shareholder interests, the Russian model subordinates firm-level decisions to a political calculus that weighs fiscal extraction, elite patronage, and geopolitical positioning. This distinction is not merely descriptive; it determines the range of adjustment options available when external conditions shift.

Fiscal dependence on hydrocarbon revenues remains the central structural constraint. Oil and gas revenues continued to account for a substantial share of federal budget income during the study period, linking regime fiscal capacity directly to export volumes and global commodity prices. This creates a specific mechanism: the state extracts rents from energy firms not merely for treasury purposes but to sustain the patronage networks and elite bargains that underpin political cohesion. When commodity prices fluctuate, the state faces a choice between fiscal austerity—risking elite defection—and compensating through increased export volumes or market manipulation via OPEC+ coordination.⁵ The state capitalism framework specifies that these are not neutral market responses but politically mediated decisions in which Gazprom’s investment patterns and Rosneft’s pricing behavior reflect Kremlin priorities rather than shareholder value maximization. The 2024–2025 evidence is consistent with this interpretation: major investment decisions—including the prioritization of the Power of Siberia 2 pipeline negotiations and the acceleration of Arctic LNG development—corresponded to geopolitical reorientation objectives rather than risk-adjusted return calculations.

The rent-sharing model identified in earlier scholarship takes on particular significance in the 2024–2025 context.⁶ Rather than maximizing extractive rents from customers, Moscow has historically distributed energy-derived benefits selectively to maintain influence over near-abroad states and to consolidate domestic elite loyalty. During the adjustment period, this model faced stress as European counter-diversification reduced the volume of rents available for redistribution, forcing reallocation toward Asian markets where bargaining dynamics and infrastructure constraints differ markedly. The domestic stability implication is direct: if rent-sharing contracts with key partners diminish, the internal distribution mechanisms that sustain elite cohesion must be recalibrated—a process that introduces political uncertainty even as it preserves fiscal capacity

⁵ Valery Bunakov, “The Political Economy of Russian Energy: Between Domestic Interests and Global Ambitions,” *Journal of Eurasian Studies* 38, no. 4 (2022): 365–82.

⁶ Karen Dawisha, *Putin’s Kleptocracy: Who Owns Russia?* (New York: Simon & Schuster, 2014).

through market reorientation.

Identity-based foreign policy intersects with domestic governance through the framing of energy sovereignty. Official discourse during 2024–2025 consistently presented Russia’s energy sector as a pillar of national greatness and civilizational distinctiveness, linking energy self-sufficiency to post-imperial narratives of great-power status.⁷ This framing constrains domestic reform: liberalization or privatization of energy assets becomes politically coded as weakness or capitulation, reinforcing the state-capitalist model even when economic efficiency arguments favor reform. The analytical point is that identity narratives do not merely decorate policy; they raise the domestic political cost of structural change, creating path dependence that the stability paradox exploits.

The sanctions environment of 2024–2025 introduces a further complication that existing scholarship has not fully integrated with the state capitalism framework. Western sanctions on Russian energy exports—including the G7 oil price cap mechanism, financial restrictions on energy-sector entities, and technology export controls targeting upstream development—create a dual pressure on the domestic governance model. On one hand, sanctions reduce the revenue available for rent distribution and elite patronage, threatening the fiscal mechanism that underpins political stability. On the other hand, sanctions provide a legitimating narrative for state intervention, rallying nationalist sentiment around the state-capitalist model and framing market reform as capitulation to hostile external pressure. The paradox at the domestic level is therefore self-reinforcing: sanctions damage economic performance but strengthen the political logic of state control, producing a governance equilibrium that is fiscally fragile but politically resilient in the medium term.⁸

Existing scholarship has documented the structural features of Russian state capitalism in the energy sector, but has given less attention to how these features interact with fiscal volatility under sanctions pressure.⁹ The 2024–2025 evidence suggests that state capitalism in the Russian energy sector is not a static institutional arrangement but an adaptive strategy. Faced with reduced European market access and the costs of sanctions circumvention, the state recalibrated

⁷ Maria Shagina, “The Role of Energy in Russia-Ukraine Relations,” *Post-Soviet Affairs* 30, no. 3 (2014): 247–73.

⁸ Anne-Sophie Corbeau and Tatiana Mitrova, “Russia’s Gas Export Strategy: Adapting to the New Reality,” Center on Global Energy Policy at Columbia University SIPA, 2024.

⁹ Natalia A. Chumachenko, *Russia’s Energy Diplomacy in Central Asia* (2017), <https://www.energypolicy.columbia.edu/russias-expanding-energy-ties-in-central-asia/>.

extraction and redistribution mechanisms: adjusting the windfall tax on oil producers, renegotiating internal transfer pricing between Gazprom's upstream and midstream operations, and redirecting infrastructure investment toward the Power of Siberia pipeline system and Arctic LNG capacity. Each of these moves reinforces the state-capitalist model by deepening the state's role as allocator of energy rents, but each also generates efficiency losses and investment uncertainty that may undermine long-term productive capacity—a tension that the stability paradox captures at the domestic level.

The distributional politics of domestic energy governance also extend to sub-national actors. Regional governors and industrial elites whose power depends on energy-sector employment and tax revenues face distinct adjustment pressures when export revenues decline or shift geographically. The 2024–2025 period saw increased federal transfers to energy-dependent regions, a mechanism that sustains political loyalty but further concentrates fiscal authority at the center—reinforcing the state-capitalist logic while potentially storing future governance fragility. The comparative implication is that Russia's domestic energy governance resembles other petrostates in its rent-distribution dynamics, but differs in the scale of geopolitical contestation that conditions its adjustment options.¹⁰

Bilateral Energy Bargaining: The European Adjustment

The bilateral arena between Russia and European energy consumers illustrates asymmetric interdependence under conditions of active adjustment. The 2024–2025 period is characterized by a dual movement: European states accelerating diversification through LNG import capacity, interconnector development, and regulatory coordination, while Russia reorients export infrastructure and contract portfolios toward non-European markets.¹¹

Asymmetric interdependence operates through substitution cost differentials. For European importers, the cost of replacing Russian pipeline gas with LNG or renewable alternatives is measurable in infrastructure investment, transition timelines, and price premiums during the switchover period. For Russia, the cost of replacing European customers involves redirecting pipeline-bound volumes to markets reachable only through new or underutilized infrastructure—primarily

¹⁰ Hanna Hopko, “Europe's Gas Crisis and Russian Energy Politics: Experts Respond,” Ukrainian Research Institute at Harvard University, <https://huri.harvard.edu/tcup-commentary/europes-gas-crisis-russian-energy-politics>.

¹¹ Anne-Sophie Corbeau and Tatiana Mitrova, “Russia's Gas Export Strategy: Adapting to the New Reality,” Center on Global Energy Policy at Columbia University SIPA, 2024.

eastward pipelines and LNG facilities whose capacity constraints impose real limits on substitution speed.¹² The asymmetry is therefore not one-directional: both sides face substitution costs, but the costs differ in magnitude, timeline, and political salience. European diversification reduces Russia's leverage gradually but does not eliminate it during the adjustment period; Russian market reorientation opens new revenue streams but at lower margins and with different bargaining dynamics.

The infrastructure dimension of bilateral adjustment warrants specific attention because it illustrates how physical assets create path dependencies that constrain bargaining options regardless of political preferences. European LNG regasification capacity expanded significantly during 2024–2025, with new floating storage and regasification units commissioned in Germany, the Netherlands, and Italy. These investments reduce substitution costs for European importers but simultaneously create stranded-asset risks for Russian pipeline infrastructure—principally the underutilized Nord Stream corridor and the Yamal-Europe pipeline system. The distributional consequences extend beyond the bilateral relationship: global LNG markets tightened as European demand competed with Asian buyers for limited spot cargoes, transmitting the adjustment costs of the Russia-Europe bilateral restructuring into broader market instability. This infrastructure-mediated spillover effect exemplifies the stability paradox at the bilateral level.

Bilateral relations oscillate between “exit”—diversification and substitution—and “voice”—bargaining within inherited infrastructure and commercial commitments. The balance between these options is never static.¹³ In 2024–2025, this balance explains why stability outcomes vary across European countries: states with greater infrastructure flexibility and diversified supplier portfolios face lower adjustment costs and experience the transition as manageable, while states locked into pipeline dependency or facing domestic political constraints on energy price increases experience the adjustment as destabilizing. Policy responses themselves generate new distributional conflicts—solidarity mechanisms for gas sharing, debates over price caps, and disputes over the pace of renewable transition—that the asymmetric interdependence framework helps to explain.

¹² Thane Gustafson, *The Future of Russian Energy: Politics and Economics* (Routledge, 2021).

¹³ Tatiana Mitrova, “The Role of Energy Security in Russia's Foreign Policy,” *Post-Soviet Affairs* 38, no. 2 (2022): 125–145.

The European regulatory response to Russian energy dependence constitutes a distinct analytical dimension within the bilateral arena. The EU's energy security packages—including mandatory gas storage requirements, joint purchasing mechanisms, and accelerated permitting for renewable installations—represent institutional innovations designed to shift the substitution cost calculus in importers' favor.¹⁴ These measures do not eliminate interdependence but restructure it: replacing bilateral pipeline dependency with multilateral LNG market exposure, and substituting long-term take-or-pay contracts with shorter-term, index-linked arrangements that reduce lock-in. The analytical significance is that European regulatory action transforms the bargaining environment itself, not merely the distribution of outcomes within a fixed structure. Russia's response—seeking to establish analogous contractual frameworks with Asian buyers—confirms that both sides recognize the institutional dimensions of bilateral energy politics, even when framing their actions in purely commercial terms.

Firms are not apolitical market actors. Their regulatory exposure, reputational constraints, and divergent commercial interests shape the bargaining space between Moscow and European capitals in ways that pure state-to-state models cannot capture.¹⁵ High-profile corporate interactions—joint ventures, public statements, and contract renegotiations involving major European and Russian energy firms—function as informal diplomacy that communicates preferences and red lines to multiple audiences simultaneously. The analytical value of including firm-level dynamics is that they reveal how commercial interdependence can both constrain state coercion (through reputational costs and contractual obligations) and enable it (through information asymmetries and regulatory capture).

The incentive structure cuts both ways. Export earnings underwrite Russia's fiscal and political apparatus; import reliance exposes consumer states to supply-chain coercion and electoral backlash over energy prices.¹⁶ The 2024–2025 bilateral dynamics demonstrate that adjustment is neither smooth nor symmetrical. European states with strong institutional capacity and diversified

¹⁴ Tatiana Mitrova, "The Role of Energy in Russia's Foreign Policy," *Post-Soviet Affairs* 38, no. 2 (2022): 125–45.

¹⁵ Ben T. Mitchell, "Ekspor Energi Rusia dan Pengaruh Geopolitik," *International Relations* 57, no. 3 (2023): 539–56.

¹⁶ Jason Bordoff and Meghan O'Sullivan, "Oil, Gas, and the Russia-Ukraine Conflict," Center on Global Energy Policy at Columbia University SIPA, 2022, <https://www.energypolicy.columbia.edu/oil-gas-and-russia-ukraine-conflict>.

energy portfolios—particularly those with early investments in LNG regasification and renewable generation—managed the transition with lower friction than states whose energy infrastructure remained pipeline-dependent. This variation across European importers confirms the asymmetric interdependence prediction that substitution costs, not aggregate dependence, determine bargaining outcomes.

The identity dimension also operates in bilateral relations, though less visibly than in multilateral forums. Russian negotiators have historically framed energy partnerships with European counterparts through a civilizational lens—positioning Russia as Europe’s natural energy partner and presenting diversification as a politically motivated rejection of geographic and historical complementarity.¹⁷ This framing raises the costs of compromise for Russian decision-makers: concessions on pricing or transit terms can be domestically coded as geopolitical retreat. The bilateral arena thus reveals how identity narratives, operating through domestic legitimacy constraints, transform what might otherwise be routine commercial renegotiations into politically charged exchanges with escalation potential.

The bilateral dynamics described above do not operate in an institutional vacuum; they interact with multilateral frameworks that shape expectations and constrain behavior.

Multilateral Engagement and Norm Contestation

Multilateral organizations shape energy politics by producing information, scenarios, and policy benchmarks that governments use to justify choices and anticipate risks. Institutions such as the IEA and IRENA do not govern markets in a regulatory sense, but they influence expectations through forecasting, data standards, and policy toolkits related to security, affordability, and decarbonization.¹⁸ For this article’s framework, these institutions matter because they reduce information asymmetries and create reputational costs for opportunistic behavior, while also offering states opportunities to contest narratives about responsibility, stability, and fairness in the energy transition.¹⁹

Russia’s participation in multilateral energy forums during 2024–2025 serves

¹⁷ Maria Shagina, “The Role of Energy in Russia-Ukraine Relations,” *Post-Soviet Affairs* 30, no. 3 (2014): 247–73.

¹⁸ Maria Shagina, “The Role of Multilateral Organizations in Russian Energy Politics,” *Energy Policy* (2020).

¹⁹ Michael Bradshaw, *The Future of Russian Energy: Politics, Economics, and Environment* (2016).

analytically significant purposes even under strained political relations. Engagement operates through at least three mechanisms: signaling willingness or unwillingness to coordinate on production and pricing (particularly through OPEC+), monitoring and learning about market expectations and competitor strategies, and contesting the norms through which “energy security” and “market stability” are defined in international discourse.²⁰ The identity-based foreign policy lens is particularly relevant here. Russia’s multilateral positioning consistently frames Western-led energy governance institutions as reflecting a particular liberal-market ideology rather than universal principles, and presents Russian energy policy as embodying an alternative governance model rooted in state sovereignty and producer-consumer equity. This norm contestation is not merely rhetorical: it shapes coalition-building with other producer states and conditions the institutional environment within which bilateral bargaining occurs.

The OPEC+ framework deserves particular analytical attention because it illustrates the multilateral dimension of the stability paradox with exceptional clarity. Russia’s commitment to production quotas within OPEC+ serves domestic fiscal stability by supporting global oil prices at levels sufficient to sustain budget revenues. Yet the same production discipline—especially when coordinated between a sanctions-targeted producer and non-sanctioned Gulf states—generates market uncertainty for consuming nations that cannot distinguish between commercially motivated and politically motivated supply management. The 2024–2025 period saw recurring episodes where OPEC+ decisions on production cuts or extensions triggered price volatility and speculative responses that amplified rather than dampened market instability. The asymmetric interdependence framework explains why: consuming states lack the information access and decision-making inclusion necessary to anticipate production decisions, while producing states face domestic incentives to maintain opacity as a bargaining asset.

Coordination arenas such as OPEC+ and the GECF become sites of contestation when sanctions, price controls, or competing transition pathways reshape incentives. The 2024–2025 period illustrates this dynamic: Western-imposed price caps on Russian oil exports politicized the multilateral pricing architecture, transforming what had been a coordination mechanism into a terrain of strategic competition. Russia’s response—seeking to circumvent price caps

²⁰ Tatiana Mitrova, “The Role of Multilateral Organizations in Russian Energy Politics,” *Energy Policy* (2023).

through alternative shipping, insurance, and payment arrangements—demonstrates how institutional constraints intended to reduce instability can, under conditions of geopolitical contestation, generate new forms of market opacity and risk.

The stability paradox operates in the multilateral arena through a specific mechanism: Russia's efforts to maintain production discipline and market share through OPEC+ coordination serve domestic fiscal stability, but the same coordination reduces transparency and increases uncertainty for importing states that cannot verify whether production decisions reflect market fundamentals or political strategy. The implication is that multilateral engagement is neither proof of cooperation nor mere symbolism; it is part of the bargaining infrastructure that conditions whether energy shocks escalate into broader security crises.

Stability assessments that ignore distributional consequences miss half the picture. Energy governance outcomes hinge on who absorbs price shocks, which firms capture rents, and whether the political costs of dependence fall on exporters or importers.²¹²²²³²⁴ The multilateral arena makes these distributional dynamics visible because international institutions require states to articulate positions on burden-sharing, transition financing, and market access—positions that reveal the underlying interests that bilateral negotiations can obscure. Russia's engagement in these forums during 2024–2025 has been selective and strategic: active participation in producer-dominated groupings where it retains agenda-setting influence, and more cautious engagement with consumer-oriented institutions where its preferences are structurally in the minority.

Existing scholarship on multilateral energy governance tends to emphasize institutional design and compliance mechanisms.²⁵ The 2024–2025 evidence pushes beyond this by demonstrating that multilateral institutions also serve as arenas of normative contestation. Russia's challenge to Western energy governance norms—particularly the assumption that market liberalization and

²¹ Eytan Goldstein, "Shifting Eurasian Energy Politics," Harvard International Review, March 24, 2023, <https://hir.harvard.edu/shifting-eurasian-energy-politics/>

²² Tyler Jost, "The Institutional Origins of Miscalculation in China's International Crises," *International Security* 48, no. 1 (2023): 47–90, https://doi.org/10.1162/isec_a_00464

²³ Tatiana Mitrova, "Russia's Expanding Energy Ties in Central Asia," Center on Global Energy Policy at Columbia University SIPA, 2024, <https://www.energypolicy.columbia.edu/russias-expanding-energy-ties-in-central-asia/>.

²⁴ Chong Chen et al., "Tipping Points: Challenges in Analyzing International Crisis Escalation," *International Studies Review* 24 (2022), <https://doi.org/10.1093/isr/viac024>

²⁵ Maria Shagina, "The Role of Multilateral Organizations in Russian Energy Politics," *Energy Policy* (2020).

transparency are universally optimal—represents a substantive alternative rather than mere obstruction. The state capitalism framework explains why: if Russia’s domestic governance model depends on strategic opacity and political control over energy flows, then international norms mandating transparency and market access directly threaten the mechanisms that sustain domestic stability. Norm contestation in multilateral forums is thus not separate from the stability paradox but an extension of it into the institutional domain.

Having examined each arena separately, the analysis now turns to the mechanisms that connect them and produce the paradox’s aggregate effects.

Cross-Arena Synthesis: The Stability Paradox in Operation

Examined across all three arenas, the stability paradox operates through reinforcing mechanisms rather than isolated dynamics. Domestically, state-capitalist rent extraction sustains fiscal capacity and elite cohesion but generates efficiency losses and investment distortions that accumulate over time. Bilaterally, the resulting resource nationalism and bargaining rigidity accelerate European counter-diversification, which in turn reduces the volume of rents available for domestic redistribution—creating a feedback loop that compounds the paradox. Multilaterally, Russia’s contestation of transparency and market-access norms protects the domestic governance model from external pressure but simultaneously undermines the institutional infrastructure that could manage crises cooperatively when they arise.²⁶

What matters analytically is not the cooperative-versus-coercive binary but the specific asymmetries—in substitution costs, information access, and contractual lock-in—that tilt bargaining power.²⁷ The 2024–2025 evidence demonstrates that these asymmetries are not fixed structural features but dynamic variables that shift as actors invest in alternatives, renegotiate terms, and contest the institutional frameworks within which bargaining occurs. The stability paradox is therefore not a permanent condition but a phase-specific phenomenon whose intensity depends on the pace and coordination of adjustment across all three arenas. The analytical framework’s value lies precisely in making these cross-arena linkages visible and specifying the mechanisms through which domestic stabilization transmits instability internationally. The central empirical finding is that the 2024–2025 period represents a critical juncture: the

²⁶ Robert E. Ebel, “Energy Security and Geopolitics: An Overview,” *The RUSI Journal* 61, no. 1 (2016): 5–22.

²⁷ Karen Smith, “The Geopolitics of Renewable Energy: Opportunities and Challenges,” *International Affairs* 90, no. 3 (2014): 551–73.

simultaneous acceleration of European diversification, Russian market reorientation, and multilateral norm contestation has compressed adjustment timelines and intensified the paradox, creating conditions under which policy missteps or miscalculations in any single arena can cascade into systemic instability across all three.

CONCLUSION

This article argues that Russian energy politics in 2024–2025 is best understood as a form of geoeconomic statecraft under asymmetric interdependence. By combining state control over the energy sector with strategic use of pricing, infrastructure, and institutional influence, Russia seeks to preserve domestic political and economic stability while enhancing its external bargaining power. The study identifies a stability paradox, whereby policies that strengthen Russia’s internal stability simultaneously increase international instability by politicizing energy markets, encouraging diversification among importing states, and raising the risk of supply-related crises. A multi-theoretical framework—integrating realist, liberal-institutional, and identity-based perspectives—demonstrates that energy policy functions as an instrument of structural power capable of shaping alliances, sanctions, and global risk perceptions.

The findings further suggest that energy stability depends on reducing vulnerabilities without creating unmanaged fragmentation. Importing countries should strengthen diversification, transparency, and infrastructure resilience, while Russia’s long-term stability requires governance reforms that improve policy predictability and support investment. The study also argues that Russian energy policy cannot be explained solely as either coercion or commercial interdependence; rather, it reflects a combination of both, depending on institutional and political contexts. Nevertheless, the research is limited by its qualitative approach and its focus on the 2024–2025 period. Future studies should test the stability paradox through quantitative and comparative methods and extend the analysis to Russia’s energy relations with non-European partners, particularly China and India.

REFERENCES

- Alpman, Benuç. “The Weaponization of Energy by Russia: A Threat to European Security?” 2016.
- Bordoff, Jason, and Meghan O’Sullivan. “Oil, Gas, and the Russia-Ukraine Conflict.” Center on Global Energy Policy at Columbia University SIPA,

2022. <https://www.energypolicy.columbia.edu/oil-gas-and-russia-ukraine-conflict>.
- Bradshaw, Michael. *The Future of Russian Energy: Politics, Economics, and Environment*. 2016.
- Bunakov, Valery. "The Political Economy of Russian Energy: Between Domestic Interests and Global Ambitions." *Journal of Eurasian Studies* 38, no. 4 (2022): 365–82.
- Chen, Chong, Jordan Roberts, Shikshya Adhikari, Victor Asal, Kyle Beardsley, Edward Gonzalez, Nakissa Jahanbani, Patrick James, Steven Lobell, Norrin Ripsman, Scott Silverstone, and Anne Wijk. "Tipping Points: Challenges in Analyzing International Crisis Escalation." *International Studies Review* 24 (2022). <https://doi.org/10.1093/isr/viac024>
- Chumachenko, Natalia A. *Russia's Energy Diplomacy in Central Asia*. 2017. <https://www.energypolicy.columbia.edu/russias-expanding-energy-ties-in-central-asia/>.
- Corbeau, Anne-Sophie, and Tatiana Mitrova. "Russia's Gas Export Strategy: Adapting to the New Reality." Center on Global Energy Policy at Columbia University SIPA, 2024. <https://www.energypolicy.columbia.edu/publications/russias-gas-export-strategy-adapting-to-the-new-reality/>.
- Dawisha, Karen. *Putin's Kleptocracy: Who Owns Russia?* New York: Simon & Schuster, 2014.
- Ebel, Robert E. "Energy Security and Geopolitics: An Overview." *The RUSI Journal* 61, no. 1 (2016): 5–22.
- Goldstein, Eytan. "Shifting Eurasian Energy Politics." *Harvard International Review*. March 24, 2023. <https://hir.harvard.edu/shifting-eurasian-energy-politics/>
- Gustafson, Thane. *The Future of Russian Energy: Politics and Economics*. Routledge, 2021.
- Hopko, Hanna. "Europe's Gas Crisis and Russian Energy Politics: Experts Respond." Ukrainian Research Institute at Harvard University. <https://huri.harvard.edu/tcup-commentary/europes-gas-crisis-russian-energy-politics>.
- Jost, Tyler. "The Institutional Origins of Miscalculation in China's International Crises." *International Security* 48, no. 1 (2023): 47–90. https://doi.org/10.1162/isec_a_00464
- Klare, Michael. "Russia's Energy Policy and the Geopolitics of Energy Security."

2023. 160: 104–112.
- Matveev, Dmitry, and Sergey Vakulchenko. “The Future of Russian Energy Exports: Challenges and Opportunities.” *Energy Policy* 23, no. 2 (2024): 123–40.
- Mitchell, Ben T. “Ekspor Energi Rusia dan Pengaruh Geopolitik.” *International Relations* 57, no. 3 (2023): 539–56.
- Mitrova, Tatiana. “Russia’s Expanding Energy Ties in Central Asia.” Center on Global Energy Policy at Columbia University SIPA, 2024. <https://www.energypolicy.columbia.edu/russias-expanding-energy-ties-in-central-asia/>.
- Mitrova, Tatiana. “The Role of Energy Security in Russia's Foreign Policy.” *Post-Soviet Affairs* 38, no. 2 (2022): 125–145.
- Roylance, Winona. “Report Review: World Economic Forum’s Global Energy Architecture Performance Index.” *Global Security, Diplomatic Courier*, March 29, 2016. <https://www.diplomaticcourier.com/posts/report-review-world-economic-forums-global-energy-architecture-performance-index>.
- Shagina, Maria. “The Role of Energy in Russia-Ukraine Relations.” *Post-Soviet Affairs* 30, no. 3 (2014): 247–73.
- Shagina, Maria. “The Role of Multilateral Organizations in Russian Energy Politics.” *Energy Policy*. 2020.
- “Shifting Eurasian Energy Politics.” *Harvard International Review*. <https://hir.harvard.edu/shifting-eurasian-energy-politics/>.
- Smith, Karen. “The Geopolitics of Renewable Energy: Opportunities and Challenges.” *International Affairs* 90, no. 3 (2014): 551–73.