FOREIGN AFFAIRS

Russia Is Burning Up Its Future

How Putin's Pursuit of Power Has Hollowed Out the Country and Its People

BY ANDREI KOLESNIKOV March 7, 2024
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From March 15 to 17, Russia will hold a presidential election to refresh Russian President Vladimir Putin's hold on power. There have never been any real doubts about the outcome, which will herald his fifth term in office. But the Kremlin has taken extraordinary steps to make sure: on February 8, the Central Election Commission announced that the antiwar candidate Boris Nadezhdin was disqualified from running. Eight days later, Alexei Navalny died in an Arctic prison colony, an event widely blamed on the Russian state, eliminating Russia's most prominent opposition leader. Navalny was not running in the election, but Russian politics had been until recently reduced to a Navalny-Putin confrontation. Now Putin is alone on the political Olympus. With such figures as Navalny and Nadezhdin out of the way, the vote can provide a resounding affirmation of Putin and his pet project, the war in Ukraine.

Russia is neither stable nor normal. The presidential election brings to maturity the late-stage Putinism that began with the constitutional referendum in the summer of 2020, when Putin's potential mandate was extended until 2036. There is more to this stage, however, than mere autocracy. Putin has made clear that Russia is fighting a permanent background war with the West, which gives him both an ideological raison d'être and a way for his ruling elite to maintain power. And to keep it all going, he must continually burn up the country's resources, financial, human, political, and psychological. All of which points to the country's political and economic fragility.

Consider the financial and economic situation. Although it retains market fundamentals, the Russian economy is increasingly dependent on government investment. The military-industrial complex has become the overwhelming driver of this unhealthy and unproductive economy, as the 2024 budget makes clear: military expenditures will be 1.7 times higher even compared with last year's inflated figures, to reach 25 percent of all spending. Meanwhile, Russian exports, primarily of oil and gas resources, are providing diminishing returns because of the closure of Western markets and discounted sales. Nonetheless, these nonrenewables are not exhausted yet, and Putin, at least, seems to hope they will be enough to last his lifetime.

A larger problem is demography. Along with the long-term trend of population aging, the demand for soldiers and the collapse of migrant inflows are pitching the country into demographic crisis. Economists note that all these pressures will combine in the medium term to a decline in labor productivity. Although the artificial growth of wages through the military economy has improved the situation for now, it has also distorted it. Putin is preoccupied with raising the birth rate at any cost, but there are few signs this can be changed. A modernized and urban Russian society will not produce as many children as Putin needs to fuel the military-industrial complex. Besides, how can a Russian family plan for the future in a permanent state of war?

One of the scarcest resources, however, is psychological. Unable to satisfy the public's hunger for peace and normality, the regime has resorted to gigantic social expenditures and preferential treatment for the poor, turning Russia into Putin's Barbieland. Russian society in turn has been reduced to adapting and surviving, rather than developing. But civil society, which is different from an indifferent society, unable to protest openly, has shown moral resistance: people openly stood in line to give their signatures for Nadezhdin; after Navalny's death, they carried flowers and candles to memorials for the victims of Stalinist repressions. And the line to say goodbye to Navalny, the man who embodied an alternative to Putin, was enormous.

Russia's path to abnormality did not begin in 2022. Putin's system has been moving in an authoritarian direction ever since it began more than two decades ago. Already in December 2000, Putin had brought back the old Stalinist anthem: the words might have been different, but the future autocrat was offering an early indication of where he intended to go. The difference was that back then, the regime's antimodern authoritarianism was partly hidden; now, it is in full view. Quite simply, Putin and his team appear to assume that Russia will have enough reserves of all types—including the forbearance of its population—to last their own lifetimes. What happens after does not matter.

AN ORDINARY KREMLIN

Twenty years ago in *Foreign Affairs*, Andrei Shleifer and Daniel Treisman called Russia a "normal country." Noting the rise of a market economy and the beginnings of Western-style institutions, they argued that the Russian Federation was becoming a "typical middle-income capitalist democracy"—less than perfect, but far from the "evil empire" that had once threatened people "at home and abroad." Ten years later, they published another article in *Foreign Affairs*, "Normal Countries," referring to the relative success of the larger group of the states of the former Eastern bloc. "Market reforms, attempts to build democracy, and struggles against corruption did not fail, although they remain incomplete," they wrote.

Given what has happened to Russia in the years since, these views might be considered naive. In any case, Russia certainly no longer qualifies as "normal." But Shleifer and Treisman were not entirely wrong: they conceded that Russia might still follow an authoritarian path. As for other post-Soviet states in eastern Europe, despite all the difficulties of their transitions to a market economy and democracy, that transition did happen, even if it wasn't flawless. Moreover, in those countries, multiparty democracy and peaceful transfers of power have worked: Poland's October 2023 election, which brought the liberal centrist Donald Tusk to power after years of rule by the right-wing Law and Justice Party, is proof of that.

But history tends to move in unpleasant ways. In Europe at the start of the twentieth century, for example, the first great era of global trade appeared to have taken the threat of war off the table. Then came 1914 and World War I. A similar reversal followed Russia's early moves toward normality: the West cheered on the reforms of the 1990s and later put high hopes on Dmitry Medvedev, who during his single term as Russian president from 2008 to 2012 seemingly initiated a new wave of modernization efforts and even a "reset" of relations with the United States.

Indeed, the mass pro-democracy protests that swept the country in 2011 and 2012 might have led Russia toward full democratization. For a time, that goal appeared to be within reach. But Putin's return to the presidency in 2012 marked the beginning of a swift, brutal, and irrevocable shift toward autocracy. State and society became less, not more, normal.

AUTHORITARIAN REFLEXES

Back in 2004, Russia's apparent emergence as a capitalist democracy was not a pure illusion. But it was precisely around the moment—the beginning of Putin's second presidential term—that Russia began to lose its chances for normal development. In fact, the economic achievements that seemed so noteworthy at the time had nothing to do with Putin: they were the result of Russia's earlier transition from socialism to capitalism, and of the radical economic reforms of the early 1990s. The real architect of those reforms, Yegor Gaidar—the economist who was, briefly, acting prime minister under President Boris Yeltsin—was cursed by the general public, who blamed him for destroying the Soviet economy and impoverishing the population. This allowed Putin to style himself as the true builder of the post-Soviet economy, although he had played no part in it. During his first two years in office, Putin did take economic reforms more or less seriously, but after that, he lost interest. What was really driving the Russian economy was the deluge of petrodollars that suddenly flooded the country—another factor he had nothing to do with.

There were other early signs that Putin was no reformer. In 2001, the independent NTV television channel—a symbol of 1990s democratization and a frequent critic of Putin—was taken over by Gazprom and transformed into an arm of official state media. In 2003, the tycoon Mikhail Khodorkovsky was arrested and his enormously successful oil company, YUKOS, subsequently dismantled by the government in a series of forced sales. Business could be done and fortunes made but, for the biggest projects, only if you had the right political connections.

Russia effectively became a one-party state following the defeat of the Union of Right Forces and Yabloko democratic parties in the 2003 parliamentary election, a vote that failed to meet democratic standards, according to both the Council of Europe and the Organization for Security and Cooperation in Europe. With the rise of the ruling United Russia party, the remaining major parties—the Communist Party and Vladimir Zhirinovsky's populist Liberal Democratic Party of Russia—became appendages of the Kremlin. From this point on, the Duma ceased to function as an independent legislative body.

Authoritarian reflexes returned to the political system, which began to control more and more aspects of social life. For instance, in 2003, the Russian Public Opinion Research Center, or VTsIOM, the country's main center for social research, was seized by the state, and brought under government control. (VTsIOM's old team formed the independent Levada Center, named after its founder, Yuri Levada.) Already, the state was seeking to control Russians' knowledge of themselves.

Such a system could hardly be considered normal, but Russian elites and many in the West convinced themselves that it was. Many assumed that the authorities would not risk overt moves toward repression that might backfire and thus jeopardize their privileged lives. These assumptions persisted even after the Kremlin had neutralized all political competition and invaded Georgia in 2008. The West then staked its hopes for renewed liberalization on the new president, Medvedev, whom many assumed would break from Putin and become an independent figure.

Around this time, Russia was also beginning a further stage of so-called authoritarian modernization—an approach that sought to emphasize technocratic economic reforms ahead of political liberalization, which the Kremlin generally regarded as unnecessary. In fact, Medvedev established a new center, the Institute of Modern Development, to oversee the cautious liberalizing not only of the economy but also of politics, in what was supposed to be a road map for Russia's future. But not much came of it. Simultaneously, more or less the same experts went on to prepare Strategy 2020, a plan to vault Russia into one of the world's top economies by 2020. And even after Putin was preparing for his official fourth term, as late as 2016–17, there was another modernization program, this one led by the former Finance Minister Alexei Kudrin. Each time, however, these efforts were thwarted by lack of political will, and it became clear that any attempt at authoritarian modernization would end simply in authoritarianism—without the modernization. It is symptomatic that many of the experts who led these efforts in the last two years have been pushed aside or forced to leave the country.

CONSUMERS INTO CONFORMISTS

In fact, Putin was by this point actively seeking the demodernization of Russia. After his return to the presidency in 2012, he began dismantling democratic institutions and putting in place repressive laws. In 2014, he seized Crimea, which he justified by ultraconservative imperialist ideology. Economic reforms had stopped. By the 2018 presidential election, many Russians had become passive and were voting mechanically, realizing that they could not influence the situation. Still, Putin's ratings suffered after the election when the government raised the retirement age, and then, the mere existence of the pandemic further eroded his popularity. It was time to take emergency measures. In the summer of 2020, he held a referendum to change the constitution, reset his presidential terms, and potentially extend his rule until 2036, and the conformist majority approved. Putin's consolidation of a semitotalitarian regime was symbolically complemented, just two months later, by the attempted poisoning of Putin's main opponent, Alexei Navalny.

But it was the next step that destroyed Russia's modernization all the way down to its foundations: the war in Ukraine. In launching the "special military operation," Putin was rejecting the democratic heritage of not only Boris Yeltsin but also Mikhail Gorbachev. Everything that had been achieved in Russia since 1985—from the establishment of democratic institutions to the abolition of censorship and the reunification of Russian and European cultures—Putin swept off the table in one fell swoop. The war took the brakes off the regime, which in a short time crushed the remnants of these institutions and returned to Soviet-scale repression. Indeed, it would also involve breaking with the world order that had first emerged after 1945 and then become dominant after 1989.

Astonishingly, during this 20-year descent into an autocratic abyss, the majority of Russians, not to mention the time-serving elites, were not overly disturbed. To them, each step along the way was just a new normal. Even after 2014, when all socioeconomic indicators—including real household income—began to stagnate, few Russians saw a direct link between the regime's tightening grip and the country's failing economy. In any case, many had given up the fight for modernization after Crimea, choosing instead to join in the national-imperialist euphoria that swept over the country. It is hard to swim against the tide.

There was still a political opposition in those years, with people taking to the streets and civil society groups swinging into action. Many took significant risks, including being labeled a "foreign agent"—a legal designation devised by the Kremlin in 2012 for anyone who receives support from outside Russia or otherwise appears to be influenced by external sources. But the more fiercely people resisted, the harsher the government cracked down on them. In 2020, Navalny's poisoning showed how far the authorities were willing to go; to avoid arrest, many opposition figures began to leave the country. Navalny's return to Russia in early 2021 and his own arrest sparked a new wave of powerful protests. But the Putin system did not stop and no longer had any restraints. It was moving toward an external expansion and an internal war with what was left of civil society.

The main social problem was that Russia's market economy had turned Russians into garden-variety capitalist consumers without making them engaged citizens. Having adapted to the new market conditions during the post-Soviet transition, they did not see the inextricable connection between an open market and political democracy. In big cities, no one saw the point of democracy, the rotation of power, or human rights, because even under enlightened authoritarianism, many people felt just fine. Despite the decline in average real incomes and problems among the working classes, the consumerist boom continued. Middle-class Russians had gotten used to vacationing in Europe. Russians became discerning connoisseurs of French, Italian, and Spanish wines, and eagerly adopted the latest technologies—and then they were proclaimed by Putin the heirs of a great empire by taking Crimea without a shot fired. To many of them, it was easy to discount the importance of democracy in all this.

Putin, in any case, never believed in modernization, so when he felt that it was not working, he made a conscious choice in favor of archaism and demodernization instead. First the regime began to close itself off, and gradually it rejected everything that came from the West, reembracing the medieval concept of the "Russian path" that perceives European influence as heresy.

NO MORE CHILDREN'S BOOKS

Putin would be surprised to be called a Marxist. But he is at least partly an economic determinist, since his primary tactic for preserving power is maintaining a sufficient level of socioeconomic well-being—in particular, by buying the loyalty of the lower-middle classes with social support. If economic failures can be overcome through political repression and an archaic national-imperial ideology, it is possible to rule for a long time. Still, as the Russian demographer Anatoly Vishnevsky has argued, in the long term, demographics will always trump economics. It's unlikely that Putin has read Vishnevsky; his government has certainly ignored Vishnevsky's warnings about the risks to human capital caused by Russia's long-term demographic trends.

Putin is already failing in this most important area. The Kremlin now spends human capital profligately, as if it were a mere commodity. And all the while, the regime talks of "saving the people"—a phrase coined by the Soviet dissident Aleksandr Solzhenitsyn to mean respect for human life—appropriated by Putin as a hypocritical call for greater fertility. To further this goal, the Kremlin continues the fight against same-sex relationships and abortion while promoting "traditional" families. It is no coincidence that Putin declared 2024 the Year of the Family and devoted much of the 2024 presidential address to supporting large families.

But "saving the people" is an awkward promise for an architect of a deadly war to make. As the wives of men mobilized to fight in Ukraine have observed in a statement back in November 2023, "Wives have been left wailing for their husbands, children are growing up without fathers, and many have been orphaned." It is hard to escape the impression that Putin has begun a reverse demographic transition, in which a death for the motherland has greater value than a life for the motherland; in which death from "external causes"—a bureaucratic euphemism for deaths from road traffic accidents, alcohol, and, probably, duty in the trenches—looms disproportionately large. (The actual figures for combat fatalities remain unknown.)

Both government statistics and indirect indicators show that the birth rate in Russia has been falling since 2016–2017. Book publishers, for example, complain of a vanishing audience for children's books: by 2027, demographers predict a 23 percent reduction in the key age group of five- to nine-year-olds, based on the same decline in the zero-to-four age group between 2017 and 2022. Birth rates, of course, follow long-term trends, and one explanation is the inexorable demographic consequences of becoming a postindustrial country: Russian society started to become modern—with people moving to cities, becoming more educated, and having fewer children—back in the 1960s. But another reason Russia's birth rate is so low today is that Putin needs soldiers and workers at military-industrial complex factories, and fewer Russians today want their children to grow up to become soldiers and workers.

Meanwhile, the decline of the working-age population—primarily from population aging and smaller numbers entering the labor market—has already caused an enormous labor shortage. In 2023, there were two million more vacancies than there were workers. According to forecasts by labor market specialists and demographers, by 2035 there will be three million to four million fewer Russians employed, the proportion of young people in the labor market will steadily decline, and the level of education of the labor force will stagnate. Under the most pessimistic scenario modeled by the state statistics service, by 2046, the population of Russia (excluding the four territories whose annexation from Ukraine was announced by the Kremlin in September 2022) will shrink by a total of 15.4 million people, equivalent to an average annual population decline of 700,000.

The government's efforts to address this demographic time bomb are becoming more and more absurd. No ban on abortions—which are no more common in Russia than in developed European countries—is going to revive the birth rate. Nor will getting people to move to rural areas to live a "traditional life," given that, far from cities and economic infrastructure, it is even harder to support a larger family. Even Russians who can work have been compromised by the war: military demands have diverted money away from critical sectors such as health care and education. Russia faces a shortage of important medications such as insulin, and for the first time in many years, the rate of alcoholism has gone up, a testament to the stress brought on by the country's abnormality.

A FIGHT AGAINST THE FUTURE

Building the economy around goals other than improving the quality of human life makes the economy unproductive. In 2022, labor productivity decreased by 3.6 percent over the previous year, according to government statistics. (Data for 2023 is not yet available.) Funded largely at taxpayer expense and by commodities revenues, the intensifying output of "metal goods"—the government's euphemism for weapons—is making the economy more primitive. By now, a large share of Russia's GDP growth—one-third, by some estimates—can be attributed to the military-industrial complex and related industries. Putin hopes that military industries will stimulate the development of civilian technologies. But this so-called conversion scheme already failed during the Soviet years and the early post-Soviet reform era.

Putin started his war to change the world order and force everyone else to live by his rules. For that, he needed to position his country and its zone of geopolitical influence against the West and the modernizing project it represents. These goals account for Putin's readiness to embark on territorial expansion: many other countries are moving forward, transitioning to other types of energy precisely so that there will be resources left for the future. But Russia is defending a dying model of development, one that requires a totalitarian and imperial ideology—and that necessitates using up resources now, including the same old oil and gas.

For Putin, it appears to be a wager worth making: his costly project in Ukraine has laid a minefield under the country's economic and demographic future, but it is entirely possible that these mines will explode only after he has left the scene. Call it the King Louis XV model of governance: *Après moi, le déluge*. ("After me, the flood.") Putin's war is a fight against the future.

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