

Chris Miller, *Putinomics: Power and Money in Resurgent Russia*. Chapel Hill, NC: University of North Carolina Press, 2018. 217 pp.

Since the onset of the war in Ukraine in 2014 and the subsequent deep crisis in Russian–Western relations, public debate and to a certain extent also research on contemporary Russia have been largely dominated by security- and foreign policy-related topics. Against this background, Chris Miller’s new book provides a timely update on Russia’s economic policy and its challenges.

Miller starts with a thought-provoking thesis. He states that while a great share of the literature focuses on missed opportunities and policy failures, Russia has actually fared surprisingly well in economic terms since the 1990s and even exceeded most expectations. To illustrate this observation, the author compares Russia with another country with similar characteristics, Venezuela. In 1999, both Venezuela and Russia were middle-income countries whose economies were heavily dependent on the export of natural resources and that were governed by increasingly authoritarian and security-oriented regimes. Almost 20 years later, however, Russia has experienced a period of impressive economic growth, rising living standards, and political stabilization, while today’s Venezuela makes headlines with consumer good shortages, runaway inflation, and military-enforced food requisitions.

Although the title might at first glance suggest otherwise, *Putinomics* adds an important alternative perspective to a genre that is largely dominated by studies that focus on the shortcomings and weaknesses of the Russian economic and political system and that ascribe all problems to Putin and Putin alone. Miller outlines his main argument in the book’s preface. He suggests that since the beginning of the Putin era, the Kremlin’s decisions have been guided by a clear general strategy. According to Miller, “the three pillars of Putinomics” (p. xiii) are, in order of priority: strengthening and preserving the central (political) authority; preventing popular discontent by providing sufficient social security; and improving economic efficiency, if necessary by cooperating with private business. Thus, the regime’s rationale throughout the 2000s was much more complex than simply stuffing the pockets of a kleptocratic elite. Sound economic policies and

stable growth were oft-times considered just as important as they secured political stability in the medium to long term.

In the following chapters, the author illustrates how this overarching strategy influenced decision making in different areas of the Russian economy, such as the energy sector (Chapter 3), the financial sector (Chapter 4), and the industrial sector (Chapter 5). Chapter 6 covers the field of social policy and explains how rising living standards formed the basis for Putin's political rule (the so-called "social contract" between the regime and the Russian society).

The central factor that contributed to Russia's economic success was the prudent monetary and financial policy that was propagated by liberal economists such as finance minister Aleksei Kudrin, but also supported by Putin personally and defended against societal and political forces that called for more government spending. Thus, when historically high energy prices in the early 2000s brought the Russian government billions of dollars in taxes, this additional income was not (entirely, at least) embezzled or spent on populist social programs, but put in a Stabilization Fund. These savings later allowed Russia to go relatively unharmed through the severe economic crisis of 2008/2009.

It is only in the last chapter (Chapter 8) that Miller comes to more recent developments of the post-2014 period. The political controversy with the West and the resulting international sanctions as well as other factors such as the low global energy prices and rapid devaluation of the ruble caused a serious economic crisis in Russia. This time, however, the Russian government has far fewer resources to balance its economic and social effects. The author thus concludes that "tough choices" (p. 156) are ahead for the regime that could potentially endanger political stability.

Although many important points and observations are made in this chapter, it remains a somewhat cursory overview of complex and highly interesting processes that could determine much of Russia's political and economic future. In this sense, it would have been desirable to dedicate more space to the last five years. This impression is also amplified by the fact that some issues and empirical examples discussed for the 2000s are not entirely new but rather seem to belong to the standard repertoire of publications on the Russian political economy: be it the Yukos Affair to illustrate the turn to more state

control or Putin's trip to the mono-industrial city of Pikalevo to stress the personal managerial style of Russia's political leaders.

Despite these minor shortcomings, *Putinomics* provides an extensive and well-written overview of major developments in Russia's economic and political system during the Putin era. Detailed empirical descriptions, clear and nuanced explanations of complicated processes as well as historical contextualization make the book accessible for a broad audience of scholars and non-scholars alike. Another strength of *Putinomics* is the comprehensive analysis of specific economic mechanisms, e.g. fiscal and monetary policy instruments. Such economic background is not always seen in studies on Russian politics.

The last chapter of the book asks whether *Putinomics* can survive. Miller argues that the Putin regime faces very different economic challenges today than it did in the early 2000s. Back then, an inefficient tax system, lack of access to credit, and legal instability were the primary obstacles for private business initiative and thus stable economic growth—problems that the Putin administration was largely able to solve. Today, however, the challenges are far more complex. For example, years of austerity have left healthcare and the education system underfinanced, but government spending is difficult today due to economic stagnation, low global energy prices, and external pressures (sanctions).

At the same time, the introduction of comprehensive reforms would contradict Putin's main goal of retaining his political rule. Thus, real change is not to be expected any time soon. According to Miller, *Putinomics* may survive, even if this means permanent stagnation and declining living standards. It remains to be seen, however, whether the Russian public will indeed be willing to endure this situation in the long term and what will happen to *Putinomics* without Putin, that is after the end of his fourth presidential term in 2024.

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