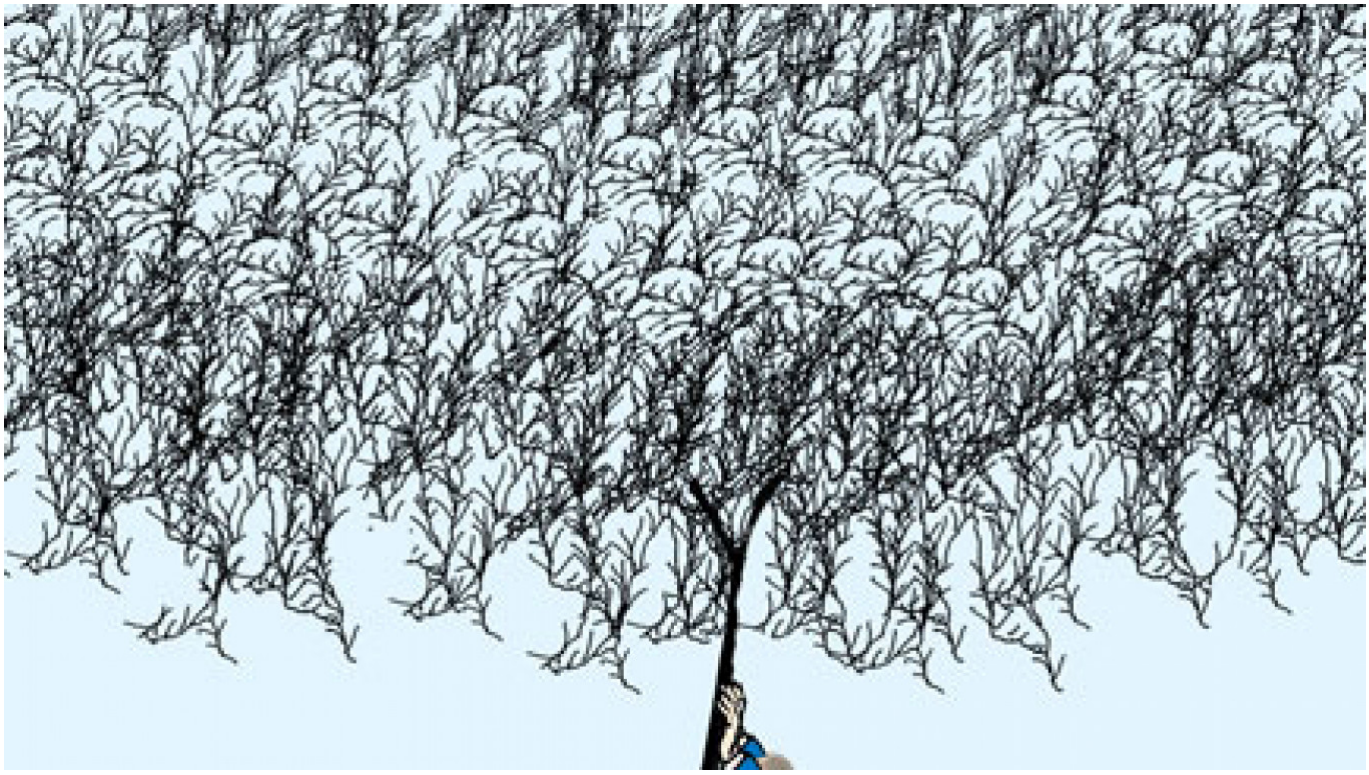
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Russia is Burdened by the Weight of Empire

By Vladimir Ryzhkov

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Without exception, every empire of the past — from the Roman to the Soviet, from the Spanish to the British — collapsed for the same reason: the inability to bear what might be called "the burden of empire." Under President Vladimir Putin, Russia is now moving along its own neo-imperial path, and the rapidly mounting burden of that course carries serious risks for the country's future.

Domestically, a neo-imperialist policy requires a strong military, significant outlays for the maintenance of colonies and dominions, and a massive bureaucracy.

Russia has certainly spent heavily on its military. In 2012, it was ranked 8th in the world for military spending as a percentage of gross domestic product. With military spending at 4.47 percent of GDP, Russia surpassed the U.S. at 4.35 percent, Great Britain at 2.49 percent, China at 1.99 percent and France at 1.8 percent according to data from the World Bank.

From 2011 to 2014, Russia's military spending rose faster than all other budgetary

categories — an average of 20 percent annually — almost doubling from 1.5 trillion rubles ($43.6 billion) in 2011 to 2.75 trillion rubles ($8 billion) in 2014.

Russia is also actively modernizing its strategic nuclear forces with all new Topol-M and Yars ballistic missiles and plans to renew the entire nuclear arsenal by 2020. The modernization program also calls for creating a new heavy intercontinental strategic missile that will cost billions of dollars to develop and test.

The military's rearmament program, estimated at 20 trillion rubles in planned expenditures, is somewhat behind schedule but remains in force, with the result that military spending now accounts for more than 19 percent of the federal budget.

Fortunately, Russia is not currently at war . However, it must pay for the maintenance of military bases and facilities in a number of countries, from Tajikistan to Belarus. Russia also beefed up its presence in Abkhazia and South Ossetia following the Russia-Georgia war in 2008. Now Moscow is faced with the task of overhauling its naval base in Sevastopol, a job that will drain hundreds of billions of rubles from the Russian budget.

Russia pays an increasingly higher price to support and maintain its "colonies" of South Ossetia, Abkhazia, the self-proclaimed Transdnestr republic and now Crimea, along with its "dominions" of Belarus, Kyrgyzstan, Tajikistan and Armenia. Information from a variety of sources makes it possible to estimate the scale of that support.

Russia spent more than $1 billion in budgetary funds on South Ossetia since 2008, and spends the same amount annually for assistance to Transdnestr. At the same time, the self-proclaimed republic owes Russia about $4 billion for unpaid gas bills alone. Moscow also subsidizes about 70 percent of Abkhazia's budget at a cost of $350 million per year.

When Crimea was part of Ukraine, Kiev subsidized two-thirds of its budget. Now Russia has assumed that burden. It will have to allocate $1 billion annually simply to cover Crimea's deficit, and the same amount again to pay for pensions and social programs.

Finance Minister Anton Siluanov said that Russia will allocate 240 billion rubles ($6.8 billion) this year alone for Crimea and Sevastopol. The planned construction of a bridge to Crimea will cost another 250 billion to 300 billion rubles. Laying water pipes along the bottom of the Kerch Strait will cost the same amount. Providing electricity to the peninsula could cost anywhere from 3 billion rubles to 300 billion rubles. All nonmilitary expenditures on Crimea could total 350 billion to 400 billion rubles ($10 billion to $12 billion) annually.

Russia also spends heavily to prop up regimes in its post-Soviet sphere of influence. In 2014 Russia agreed to give Belarus $2 billion in aid and plans $1.2 billion in assistance to Kyrgyzstan over the next two years.

Moscow allocates an average of approximately $20 million annually to Tajikistan, where it has a major military base, and will probably have to increase those expenditures after U.S. and coalition forces withdraw from Afghanistan. Russian aid to Kyrgyzstan for the last few years has exceeded half a billion dollars.

Russia spends an annual total of $18 billion to $20 billion — or about 5 percent of all federal

spending — in the form of direct financial assistance or lost profits to support those states and territories. That, together with military spending, accounts for a quarter of all budgetary expenses.

Domestically, Moscow also faces rising costs for maintaining its bureaucracy, police, Federal Security Service, prosecutors, prisons, interior troops and other state forces.

The Kremlin uses this vast security apparatus to maintain control over its complex and multi-ethnic citizens. Of course, the alternative to maintaining unity through force is to honor and promote the principles of a law-based, democratic and secular federation enshrined in the Constitution — an approach Putin scrapped long ago.

However, managing the country through force and a bloated bureaucracy comes at a much higher cost, both financially and otherwise.

Spending on the police, security services and the courts rose from 1.2 trillion rubles ($35 billion) in 2011 to 1.9 trillion rubles ($55 billion) in 2014, or 14 percent of the federal budget. Another 5.5 percent of the budget is dedicated to "general government expenses" — primarily, maintaining the bureaucratic apparatus.

In order to maintain the increasingly expensive and rapidly growing infrastructure of the neo-imperialist state, the Kremlin has been forced to systematically cut spending on the national economy — both in absolute terms and as a percentage of overall spending. That has meant cuts to housing and utilities, education, health, sports and the support and development of the regions. As a result, the regions are degenerating, and their cumulative debt now exceeds 2 trillion rubles ($58 billion).

Added to this are the outlays for the World Cup in 2018 and the construction of new space launch facilities, railways, and oil and gas pipelines.

The economy's flagging growth, as well as the breakdown in education, health care, and infrastructure, is a direct result of the neo-imperial burden on society and the economy.

In an effort to finance its growing ambitions, the Kremlin has begun raising taxes and excise duties, appropriated part of the pension fund paid for by employees, increased the national debt, will raise the retirement age and has begun spending the country's reserve funds.

This rapidly growing overload could cost Russia not only its long-desired modernization, but even its very existence. As 18th-century French political philosopher Montesquieu once said, "An empire can be compared to a tree whose overgrown branches drain all the sap from the trunk, rendering it fit only to cast a shadow."

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