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The Kremlin's Cost-Benefit Calculations Sell Kursk Residents Short

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Residents of the Kursk region at a protest rally. **Social media**

On Dec. 6, Deputy Prime Minister Denis Manturov and Kursk region Governor Alexander Khinshtein announced that monthly payments of 65,000 rubles ($808) to refugees displaced by Ukraine's 2024 incursion would end. Instead, Manturov said the funds, which were roughly equal to last year's average monthly salary, would be redirected to regional reconstruction efforts from January. The decision immediately triggered protests in Kursk, with several hundred people gathering to demand that the payments continue beyond December.

This is not the first time Kursk refugees have called officials to account over the authorities' inability or unwillingness to help them. A year ago, refugees held several protests and grilled Khinshtein and his since-jailed predecessor, Alexey Smirnov, over inadequate and delayed aid and a lack of answers from the regional and federal authorities. Back then, the protests were larger and the authorities responded. This time, however, despite the protesters' appeals to President Vladimir Putin, the chances of a policy change are smaller.

The dispute is over a substantial amount of money. In February, some 114,000 locals received the payments. 112,500 people were eligible for the last round of payments in November, amounting to 82 billion rubles ($1.19 billion). This money — financing only part of the payments residents were entitled to — had to be paid out from the government's reserve fund as an interbudgetary transfer to the region. The scale of these payments is almost as much as the 91.9 billion rubles ($1.14 billion) allocated for the region's 2025 budget. While most Russian regions have seen a real or nominal drop in their interbudgetary transfers, Kursk's transfers increased more than twofold in 2024 due to the cost of the incursion. As of late October 2025, they were already a further 56% above the entire 2024 budget.

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On Dec. 14, the regional government issued a legalistic explanation, saying that while, according to the federal government's decree, the payments would continue until the end of the ongoing "counter-terrorism operation" in the region, the decree itself loses legal force at the end of this year. This is the equivalent of the regional government throwing up its hands and saying that everyone is right, but it has no jurisdiction over the matter.

But the authorities' communication also took a much harsher tone. Viktoria Penkova, one of the governor's advisors, instead of showing sympathy, berated people for fleeing and not defending their homes against Ukrainian soldiers. Alena Liskova, an activist and leading voice behind the current protests, was detained by police for questioning (as were previous protest organizers earlier this year). Pro-war Telegram channels also mocked the protesters as participants in a Ukrainian "special operation."

It is true that the monthly payments were initially meant as a stopgap measure and not for the federal budget to sustain for a long time. In May, Putin said that they would continue to be issued until the "full liberation" of the region. Officially, local residents should receive housing certificates to buy or build new homes if it is established that their former homes were destroyed in the incursion. But only 14,000 such certificates have been issued and residents have complained that the compensation does not take into account rising real estate costs.

In fact, it is difficult even to determine how many homes were irreparably destroyed, as the border regions are still deemed too dangerous to enter. It took the Russian army nine months to push Ukrainian troops out of most of the region and reconstruction has not been quick. Speaking to Putin just days before the decision regarding the payments was announced, Khinshtein said that reconstruction is only planned to begin next year in earnest and the painstaking process of clearing mines is merely "underway."

The cause of the unexpected delay could very well be the poor execution of other policies, upon which the cancellation of the payments was contingent. But pulling the trigger nonetheless was a political decision, with federal funding stretched in competing directions. Under current fiscal plans, the federal government plans to spend 940 billion rubles ($11.7 billion) on the reconstruction of the occupied Ukrainian territories over three years, under the direction of Deputy Prime Minister Marat Khusnullin.

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Discontinuing these payouts speaks volumes about the relative political importance of a Russian region compared to the occupied territories and the war under tight budgetary conditions. Risk perceptions likely also play a role: it is considered less politically risky to cut aid to the residents of a backwater region than to pull funds from war-related policies and grand construction projects.

Even the arrogant responses to the protests may very well be calculated. Refugees, while numerous, make up but a tenth of the region's population and they will not necessarily be the focus of attention or compassion. A late 2024 report describing Kursk residents' coping mechanisms with the war at their door described a gap between group identities of residents and refugees, which at times even led to resentment over refugees getting freebies while the general population, under attack, felt more solidarity with soldiers.

The report also described how the relentless fight with the authorities exhausted refugees who came to rely more on volunteers than the state. The authorities are likely aware of both dynamics and do not expect the protests to trigger a local uprising. The task of governors like Khinshtein — a PR specialist and an outsider — is to find the necessary spin on a developing story and to keep the region calm. He has done so throughout this year by blaming and removing local officials, among others.

While it now seems unlikely that the protests are going to cause a major headache for the Kremlin in the near future, what happened is also a reminder of how difficult it is to take away support payments and privileges once introduced to members of a well-defined group once purse strings need to be tightened. That is something for the Kremlin to contemplate as it expects the eventual return from the front of hundreds of thousands of soldiers into realities defined by the limited capacities of the Russian state to provide for its citizens.

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