

Russia can't afford its war on Ukraine. Here's why

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Weapons are astonishingly expensive and Ukrainians won't surrender. But those aren't Vladimir Putin's only problems

The invasion of Ukraine began just 77 days after US troops limped out of Iraq, and just six months after the retreat from Afghanistan.

There's something Putin seems to have failed to learn from these humiliations of the world's strongest superpower.

Alongside death and devastation, Bush and Blair's invasions brought vast bills. Academics estimate the post-9/11 wars [cost the US government \\$8tn](#). This contributed to a boom in US government debt, which has increased from around \$6tn to \$28tn since 2001.

Nor was this the first time a foolish war had cost America hard cash. The inflation and financial turmoil produced by the \$1.3tn [cost](#) (in [2022 dollars](#)) of the Vietnam war [contributed to the economic crisis](#) in the 1970s, which triggered [the neoliberal](#) revolution and resultant [stagnation in American wages](#) and quality of life for four decades.

But while the US has wobbled under these vast costs, it hasn't collapsed: it had a total GDP of \$20.94tn in 2020. Russia's was just \$1.5tn. And, in Ukraine, it has taken on a more difficult foe than Iraq or even Afghanistan.

Discussing the financial price of war feels sordid: the true costs, of course, are weighed in the years of life incinerated. But military misadventure is astonishingly expensive - so much so that it's often how great powers break.

In 2015, the Moscow Times [calculated that](#) each hour of a Russian warplane flying a mission over Syria [cost \\$12,000](#). That's more than the average [annual salary](#) of a Russian doctor.

The cruise missiles being fired from battleships on the Black Sea, Kalibers, are thought to cost [around \\$1.5m](#).

Iskanders, the main kinds of missile used by Russian ground forces, are made at the Votkinsk Machine Building Plant, just west of the Urals, which was privatised in 2010. Their cost has been estimated at around \$10m per missile.

As of 17 March, the US Department of Defense estimated that 980 missiles have been fired by Russian forces into Ukraine, and suspects that Russia [may be running out of](#) precision guided weapons, having run through an arsenal worth billions.

Every crater in Ukrainian soil is a hole in a Russian budget.

By Sunday, the Ukrainian ministry of defence [claimed to have destroyed](#) 1,487 Russian armoured personnel carriers, 476 tanks, 230 artillery systems, 74 multiple launch rocket systems, 118 helicopters, 96 aircraft, 44 anti-aircraft warfare systems, 21 unmanned aerial vehicles and three boats.

A single Russian Amarta tank [reportedly costs \\$8m](#). A Kamov Ka-52M helicopter [costs about \\$15m](#). Even if the true damage is only half what the Ukrainians say, this is another bill of billions.

And that's before we talk about soldiers' salaries and supplies, the price of sanctions, and the loss of thousands of young lives in a country with an ageing population - one consequence of the chaos of the 1990s was the birth rate collapsed.

George W. Bush's murderous wars left the US weaker, poorer, indebted and hated. But in military, political and economic terms, neither was as self destructive as Putin's.

The democracy effect

When I travelled through central Europe in February 2020, I met lots of Ukrainians who were surprisingly enthusiastic about their government, who clearly felt that they had a stake in their state, who were willing to defend not just their country, out of a sense of nationalism, but their democracy, out of a sense of ownership.

In battle, that matters. It's not just coincidence that there are very few examples of one country successfully conquering and occupying another in recent decades.

The Toyota Hilux and AK47 assault rifle, both invented in 1947, changed the odds in war. These were cheap but powerful machines that most fighters can fix in the field when they break. Suddenly, light-footed insurgencies on home turf had the advantage over heavily armed invading forces. In Ukraine, [Next Generation Light Anti-Tank Weapons](#) - made by the car company Saab and assembled in Belfast - can be added to the list. Nimble rocket launchers, given to Ukraine free of charge, they allow one soldier on foot to incinerate an advancing 50-tonne tank.

Modern technology has rendered successful conquest and occupation of a country by a foreign force impenetrably expensive if its citizens choose to resist.

And so the question facing Putin - coming up for a month into a war his advisors said he'd win in days - is how to pay for this.

One possible answer is plunder, with some suggestions that Russia plans to [deforest the territory](#) it conquers, selling the timber as its armies advance in a vast act of ecocide. But Putin can't build a war machine on wood alone.

In the long run, all-out conquest would bring access to Ukraine's [famously fertile soils](#). But extracting such taxes from insurrectionist farmers would be an expensive task in its own right.

Two weeks into the war, Putin [signed a law](#) allowing Russia's sovereign wealth fund to buy up government bonds. The fund, built up through fossil-fuel exports, was worth \$175bn in February, according to [Russia's finance ministry](#). But it is also [being deployed](#) to prop up businesses collapsing under the weight of sanctions. What's more, it was actually set up to support the country's overwhelmed pension system. Dipping into the savings of millions of babushkas isn't generally considered politically savvy.

The Russian Central Bank has also rushed to the war effort, [announcing last week](#) that it would start

buying up bonds - effectively printing cash and giving it to the state, a sort of quantitative easing.

But with inflation on imported goods already [rising fast](#), this is a risky move, potentially devaluing the ruble. Announcing the policy, governor Elvira Nabiullina said it was only a temporary measure, designed to calm traders. "After a period of stability has returned to the financial markets, we plan to fully sell the assets," she said. Meanwhile, Putin has demanded that European countries pay for Russian fossil fuels in rubles - [boosting the value](#) of the currency, but stopping even more dollars and Euros flowing in. This is not an economy ready for the long slog of capturing and occupying a country the size of Ukraine. The US was bogged down in Afghanistan and Iraq for two decades, and Ukraine is significantly soggier.

The other option is tax - income tax was [first introduced in the UK](#) in the late 18th century to pay for the Napoleonic wars, French taxes [emerged to fund](#) the 100 Years War and subsequent conquests, "The history of American taxes can largely be written as a history of America's wars," writes [one expert](#). But this is always a risky option for those afraid of democracy: in the UK, it was followed by popular uprisings demanding the vote, in France, war taxes ultimately led to revolution.

It's not a coincidence that oil-rich countries are prone to dictatorship. States that can fund themselves through mineral wealth don't rely so heavily on their citizens for funds, and so are less vulnerable to the demands of those citizens. Around [40% of Russian government revenue](#) comes from oil and gas, allowing it to have one of the [lowest income tax rates](#) in the world. As war costs mount, will the Kremlin really be able to keep those rates down without risking revolt?

Ultimately, of course, the Russian state will never run out of rubles. If it could transform its economy onto a war footing, and find everything it needs to supply and feed its army and its people from [within its own borders](#), it could ride this out. But that's a big 'if'. It requires a motivated workforce and degree of logistical capacity that, as we've already witnessed, the Russian state is seriously lacking. Russia relies on [imported components](#) for much of its manufacturing - as I write, it seems Russia's main tank manufacturer has [had to stop production](#) because of a shortage of supplies from abroad.

Without support from - or strict disciplining of - working-class communities, all-out war is very hard to wage, let alone win. Europe's 1930s fascisms were built on the regimented, militarised societies that emerged from the mass conscription of the First World War. Second World War Allies had domestic populations who were highly motivated to win, willing to put in extra shifts at factories and labour for little pay. By contrast, the Great War ended because German workers [went on strike](#), and triggered the Russian revolution.

Perhaps the most famous person from Odessa, Leon Trotsky, once said: "You may not be interested in war, but war is interested in you." As the Russian economy slumps, its people - already sceptical of the invasion - are discovering the truth of this maxim as they are lumbered with the cost of the fight.

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