

The ‘Deathonomics’ Powering Russia’s War Machine

Payments for soldiers killed on the front lines are transforming local economies in some of Russia’s poorest regions



A Russian tank burns in a field in Ukraine. Photo: ukrainian armed forces/Reuters

By [Georgi Kantchev](#) and [Matthew Luxmoore](#)

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Going to war is now a rational economic choice in Russia’s impoverished hinterlands.

Facing heavy losses in Ukraine, Russia is offering high salaries and bonuses to entice new recruits. In some of the country’s poorest regions, a military wage is as much as five times the average. The families of those who die on the [front lines](#) receive large compensation payments from the government.

These are life-changing sums for those left behind. Russian economist Vladislav Inozemtsev calculates that the family of a 35-year-old man who fights for a year and is then killed on the battlefield would receive around 14.5 million rubles, equivalent to \$150,000, from his soldier’s salary and death compensation. That is more than he would have earned cumulatively working as a civilian until the age of 60 in some regions. Families are eligible for other bonuses and insurance payouts, too.

“Going to the front and being killed a year later is economically more profitable than a man’s further life,” Inozemtsev said, a phenomenon he calls “deathonomics.”

So many soldiers have now been killed that the payments—totaling as much as \$30 billion in the past year as of June—are a telling symptom of how the war is transforming Russian society and the economy at large. Since the start of the invasion, the Kremlin has [boosted military spending](#) to post-Soviet highs, offsetting some of the impact of [Western sanctions](#). Weapons factories work around the clock, providing employment and high wages.

Now the mounting death payments are providing an injection of wealth into some of Russia’s poorest areas in return for a steady stream of soldiers for the war effort. Poverty levels are now at their lowest since data collection began in 1995, according to official statistics. Perceptions of what it means to join the military have been transformed.

Army service after the Soviet collapse was viewed for years by many Russians as a career for talentless men unable to fill skilled positions. With no major wars to fight during much of that period, most sat at military bases filing paperwork or doing menial jobs.

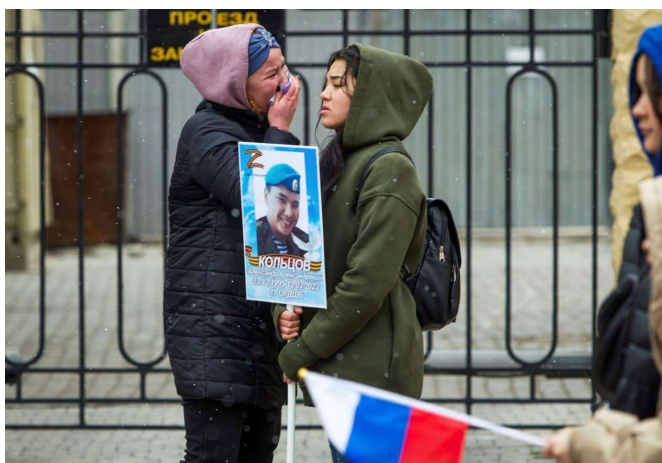
But the war in Ukraine has transformed the fortunes of those willing to fight, boosting not just their income but their social status, too. The government has launched a new program, called “Time of Heroes,” aimed at training up service members for government positions.

Schools across Russia host lectures by soldiers fresh from the front lines. Desks are kept empty to honor a local “hero” who never returned from the front, with biographical details inscribed onto it and even objects from the life of the fallen soldier.

President Vladimir Putin, meanwhile, has touted a “new elite” of service members who enjoy myriad perks and a fast track into politics. The incentives have helped tame social tensions fueled by income inequality, in a way that presidential decrees and income-redistribution plans couldn’t. Surveys by the independent Levada Center show a marked increase since the prewar period in the percentage of Russians who think the country is heading in the right direction.

For the Kremlin, generous payments help avoid a general mobilization of fighting-age men after a previous round in 2022 rattled the country and led many young men to flee.

“This is money that most people in these backward areas have never seen in their lifetime, so it’s little wonder that many of them accept,” said Vasily Astrov, economist at the Vienna Institute for International Economic Studies. “And for the Kremlin, offering good pay for soldiers is the only way to maintain their war effort with high levels of domestic support.”



Women cry as they hold a portrait of Russian Army serviceman Alexander Koltsov who was killed in Ukraine. Photo: AP

There is little effort to conceal the grim calculus at work.

Putin has publicly promoted the notion that dying on the front is more worthwhile than living a dire existence in Russia’s hardscrabble towns.

“Losing a loved one is a great tragedy, an unfillable void,” Putin said in a November 2022 meeting with Russian women who had lost sons in the war.

“But some people barely live, and when they die, from vodka or something else, it’s unclear how,” he said to one of the mothers. “Your son lived, you understand? He accomplished his goal.”

And some Russian officials actively promote the idea of economic gain from death in war.

“A child should understand: Yes, your father carried out a heroic act, and died, but thanks to his heroic act I have an apartment,” the governor of a region in Russia’s Far East said at a meeting to promote support for children affected by the war. “That makes children more patriotic.”

Since the start of the war, Russia has suffered over 600,000 casualties, including killed and wounded, according to Western estimates. To offset these losses and incentivize recruitment, the government pays soldiers fighting in Ukraine a minimum monthly salary of 210,000 rubles, equivalent to \$2,140, substantially higher than the national average of 75,000 rubles.

Further bonuses are awarded for taking part in offensive military operations and for battlefield feats. Regional governments also give additional payouts. The families of soldiers killed in action can receive over \$150,000 in federal, regional and insurance compensation.

The result is that Russia is currently able to recruit around 1,000 men a day, the U.K. Ministry of Defense said in September. “Payment increases will...probably bolster recruitment levels for the remainder of the year,” it said. But losses remain staggeringly high: The head of Britain’s armed forces, Adm. Tony Radakin, told the BBC on Sunday that Russia’s forces averaged 1,500 casualties a day throughout October.

And the rising payments haven’t come without friction.

Russia’s courts have adjudicated cases brought by people who accuse others of trying to steal their war-related payouts, or complain that a long-absent relative reappeared to try to claim a slice of the money due for the death of a son. Some of the disputes have gone all the way to Russia’s supreme court.

In one case from central Russia, a man tricked a woman into handing over her bank card and without her knowledge withdrew the equivalent of \$4,500 that was part of a payout she received for her husband’s death in Ukraine. In another proceeding in the Komi Republic bordering Siberia, a judge ruled that a man was ineligible to receive a share of the payments for his dead son because he hadn’t spoken to him for more than 15 years, “cared nothing for his fate, did not work, and lived an antisocial lifestyle.”

The money flowing to military families can also carry economic risks.

The payouts cost around 8% of state expenditures in the year to June 2024, expanding the budget deficit, according to an analysis by Re: Russia, a research group. The payouts have contributed to a high inflation rate plaguing Russia, leading the central bank to raise interest rates to near-record 21%. And more men going to the front is stoking a labor crunch, leaving employers short of welders, drivers and builders.

In Russia’s hinterland, though, the war payouts make a big difference.

In Tuva, a remote region where the poverty rate is three times the national average, bank deposits have jumped by 151% since January 2022, the month before the invasion, central-bank data shows. That is the highest increase in Russia, a sign that people are able to squirrel away substantial amounts of money. The region is also in the midst of a record construction boom with new multistory residential complexes arising in the regional capital of Kyzyl. It is almost as if an entire generation has found work overseas and is now sending back remittances.

People in the poorest regions are spending more, too: In the Altai region in southern Russia, revenue at restaurants and bars is up 56% this year from last year, compared with a 9% rise across Russia, according to official statistics.

“It’s the poorest places in Russia that are benefiting the most from the war,” said Laura Solanko, a senior adviser at the Bank of Finland Institute for Economies in Transition who has studied the impact of the payouts. “People there historically have had very few opportunities like this and so the pace of change is dramatic.”

One of the starkest examples of how the war has transformed Russian lives is life in Buryatia, a mountainous part of eastern Siberia that is so geographically distant from the Russian capital that many residents consider themselves closer in identity to parts of north Mongolia than their region borders.

The mobilization drive announced in September 2022 caused social upheaval in Buryatia, which had sent tens of thousands of men to fight in Ukraine of which at least 1,719 have died as of October, according to Mediazona, a Russian independent media outlet that carries out research into war casualties. Local news sites in Buryatia publish several obituaries each day of men who have died on the battlefield. But the deaths are largely accepted, says Alexandra Garmazhapova, a political researcher from Buryatia who now runs an organization that advocates for democracy in the region.

Soldiers' Benefits Soldiers in Russia receive a monthly salary of about \$2,100, plus a \$4,100 signing bonus. They also have benefits in case of death and injury. Sources: TASS, SOGAZ, regional governments Note: Shows maximum amount of benefit for insurance payout in the event of injury and for regional top-ups in the events of both death and injury.

“We expected the number of bodies returning home, to Buryatia, would cause people to start protesting the war,” said Garmazhapova, who lives outside Russia. “But it’s had the opposite effect.”

A massive wealth accumulation in this poverty-stricken region may help explain why: Since January 2022, bank deposits in Buryatia are up 81%. This year, residential construction is up 32%, compared with a national average of 2%.

Lyudmila, a 54-year-old resident of a small Buryat village just 25 miles from the border with Mongolia, lost her son and husband in the war. She says five other men from the village have died in Ukraine. Lyudmila spent years saving up to buy an apartment for her family in the regional capital of Ulan-Ude. The payouts she received for the men’s deaths made it possible to buy two apartments there, as well as a car for her daughter Alina.

“My son and husband earned this money with their blood,” Lyudmila said. She organized the funerals, four months apart, and paid for a statue of each man to be erected in the local cemetery. On the building of the village school, she paid to have two commemorative plaques installed, honoring the “heroes” slain in Ukraine.

Lyudmila declined to disclose the size of the payout she received, but said it came with a state medal dedicated to her family, with the inscription: “For the family of fighters who gave their lives for Russia.”