The Political Economy of Putin's Russia

Pekka Sutela
Contents

List of tables xv
Preface xvii

1 Introduction: burden of the past 1
   1.1 The Soviet inheritance 3
   1.2 Russian transition 11
   1.3 What did V.V. Putin think? 31
   1.4 The burden of the past and Putin’s years 38

2 The Putin regime 42
   2.1 A soft kind of authoritarianism 43
   2.2 The Gref program and aftermath 55
   2.3 What kind of economy emerged? 64

3 Economic growth 77
   3.1 How do economies grow? 78
   3.2 Russia: catching up or innovation 82
   3.3 The Russian growth pattern, 2000–07 89
   3.4 Approximating structural change 97

4 Energy 103
   4.1 Not of oil and gas alone 104
   4.2 Political economy of Eurasian energy 106
   4.3 Russian and EU dependence on energy 112
   4.4 Russia’s changing energy geography 122
   4.5 Oil 125
   4.6 Gas 131
   4.7 The priority of energy efficiency 139
   4.8 A case of resource curse? 143
Contents

5 Money, banking and monetary policy
   5.1 Soviet money 152
   5.2 1990s: markets without money? 153
   5.3 De-dollarization and re-monetization 161
   5.4 Monetary policy 166
   5.5 Banking and financial markets 168
   5.6 From crisis to financial center? 177

6 Welfare
   6.1 Measuring production in the 1990s 189
   6.2 Why do Russians support the Putin regime? 192
   6.3 Did Russia become a welfare state? 196
   6.4 Income distribution 210
   6.5 Happiness 214

7 Epilogue: Russia's response to the 2008 crisis
   7.1 Was Russia prepared for the crisis? 217
   7.2 What was Russia's reaction to the crisis? 220
   7.3 A look into the future 227

Bibliography 232
Index 253