

# **The Renewed Mainstay of the Russian Authoritarian Regime**

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## **Abstract**

In 2023, the Russian economy, despite huge military spending, shrinking oil and gas exports, and a host of tightening Western sanctions, showed growth of 3.6% (Prezident Rossii, 2024). The Russian economy through budget impulse has been receiving enormous funds influx. Under these conditions, many social groups, industries, and entire regions of Russia ramped up their revenues/incomes. Based on in-depth interviews and analysis of data from the Federal Tax Service of Russia (FTS) and the Federal State Statistics Service (FSSS, Rosstat) for 2022-2023 in comparison with 2021, the researcher reveals how revenues/incomes of three subsets –regions, industries, and groups of people – have changed and to what extent. It appears that the real beneficiaries of the Ukrainian war, at least as of late 2023, are numerous groups of people with low incomes, especially blue-collar and grey-collar workers, predominantly employed in previously low-demand and less profitable - compared to extractive - manufacturing industry and living in underdeveloped regions of the Russian Federation. Most of them are poorly educated, of older ages, live in small and medium-sized cities, and, presumably are more easily influenced by direct official propaganda due to the lack of diverse information channels in such places of residence. So, the author can assume that, given the same economic situation, the level of support for the Putin regime among such groups of the Russian population will most likely not decrease, but increase and strengthen, and the reasons for support are mainly economic and social. The research is ongoing, so conclusions regarding the demographic characteristics of beneficiary groups and predictions of the following support for the Putin regime have yet to be proven.

## Introduction

It is probably true to say that most of the Russian population supported and still supports the Russian authorities in their decisions, aggression against neighboring Ukraine, and hostile rhetoric towards several other former Soviet republics, now independent states, European countries, and the United States more broadly. The most commonly used explanation for this sudden outbreak of the Russians' hostility is attributed to their resentment rooted in an inherited imperial Soviet mentality. In other words, experts and researchers are often looking for the causes of aggression in collective psychology. Another reason cited by experts is mass propaganda and reckless brainwashing made possible by extensive government control of the media, especially television channels, and severe censorship of social media.

However, few researchers pay attention to a systematic analysis of what is happening to the Russian economy in terms of incomes or losses of both individual households and regions. Without denying the significant contribution of the above reasons for supporting the Russian government - mass propaganda and the legacy of the Soviet mentality, the study of which is rather speculative, especially in the absence of complete and reliable sociological data - the author analyzes the available official data to find out whether there are social and economic reasons for such powerful support for the Russian authoritarian regime.

Tax and statistical data from the past two years enabled the author to track the dynamics of the Russian economy, highlighting significant changes in household incomes and the economic structure both nationally and regionally. This angle of analysis allows the researcher to test the hypothesis that the widespread support for the Putin regime may be explained by the improvement in the living standards of many initially low-income Russian citizens, who no longer struggle to make ends meet. This research initially began with observations that the Putin regime had gained

new groups of supporters. This new loyal group included partly regional entrepreneurs and partly former general CEOs who received assets from foreign and Russian companies whose owners chose to leave Russian markets (Kurbangaleeva, 2023). However, the end of 2023 has reshuffled the author's observations, enriched them, and provided invaluable material for future in-depth research. Almost all the experts who participated in in-depth interviews drew attention to the fact that the number of supporters of the Putin regime has multiplied due to the increase in groups of people recognized as low-income. Direct official Russian reports and publications in loyalist Russian media along with indirect evidence and observations of experts about the growing Russian population's income abound. Most blue-collar and grey-collar jobs have become in high demand, so, the labor market has turned into an overheated market for employees. Poor regions that inherited collapsing engineering assets and stagnant manufacturing industries from the Soviet Union have awakened and come to life. People began to work two or three shifts. Entrepreneurs continue to invest in their assets to saturate the market. However, how can these changes be assessed and proven? What reliable sources are available? How can we measure the scale of these changes and which groups of people, regions, or industries are affected by these changes? The author will try to answer all these questions in his research.

It should be noted that the research project has a distinctive feature: it examines the current and constantly changing situation - the Ukrainian war continues, and it is impossible to predict with a high degree of certainty what will happen soon. That is why the author operates with the most recent and relevant official data and, by default, does not have many academic references other than official data and expert opinions.

### **Research structure and hypothesis**

The study in progress concerns three research objects. The author consistently considers

Russian regions, industries, and groups of people through their revenues/incomes. The main question of the study is which groups of Russians, industries, and regions have significantly increased their incomes (peoples) or revenues (industries and regions). The goal is to track and analyze income/revenue growth trends over two consecutive years 2022 and 2023 compared to 2021 and describe three overlapping subsets that appear to be clear beneficiaries due to the Ukrainian war.

I hypothesize that the major beneficial groups are those who live in poor or underdeveloped Russian regions and are employed in blue-collar and grey-collar jobs. The majority of such groups of people work in defense enterprises and industries included in related supply chains, such as textiles and footwear, food service, transportation, and logistics.

Undeniably, one should not overlook military personnel and their families. Notably, most conscripts come from rural areas, small and medium-sized cities, and not from megapolises. Payments received by professional military personnel and those who signed relevant contracts contribute greatly to increasing the income of their householders (*see also notes regarding military payments on page 9*). In turn, this entails the growth in local catering, housing, and domestic tourism.

## **Methodology**

Currently, the work-in-progress involves two main research methods: conducting in-depth interviews and analyzing data from official reports. The research consists of three stages. In the first stage in December 2023, the researcher interviewed 10 Russian experts, including recognized political and economic analysts, macroeconomists, sociologists, and political commentators. These interviews were conducted to create a framework for the study and generate a hypothesis.

Then, to confirm the observations and assumptions of experts, the researcher analyzed the

annual reports of the Federal Tax Service of Russia (FTS) and the Federal State Statistics Service (FSSS, Rosstat) for 2021-2023, as well as the reports “Monitoring the activities of enterprises” by the Central Bank of the Russian Federation”. Notably, the incomes/revenues were checked in two ways: directly, according to Rosstat data, and indirectly, according to the Federal Tax Service data. The official data used was taken from two official bodies deliberately to cross-check the figures and conclusions, as the data of one Ministry or Federal Service can be questioned for obvious reasons. The author considers an increase in income tax/corporate tax and, therefore, in incomes/revenues for two consecutive years - 2022 and 2023 – to be sufficient evidence to confirm the hypothesis unless otherwise noted. The data analysis stage was launched after in-depth interviews, but the main body of data was processed in March 2024, when the above-mentioned bodies – FTS and FSSS – issued their annual reports.

Finally, given the high turbulence of the Russian economic and political agenda, four experts were re-interviewed in March 2024 to capture any fluctuations and obtain necessary clarifications.

## Findings

According to the official reports of FTS of the Russian Federation in 2021-2023, the total amount of taxes and fees received by the consolidated Russian budget in 2023 increased by 36% compared to 2021 (Table 1, Appendix 1).

Year	Total amount of taxes and fees received, bn. rub.	Compared to the previous year, %	Compared to 2021, %
2021	28,129.2	-	-
2022	31,093.5	+ 10.5%	+ 10.5%
2023	38,202.6	+ 22.9%	+ 35.8%

Table 1. The total amount of taxes and fees received by the consolidated budget of the Russian Federation, bn. rub. (2021–2023).

Data source: FNS Rossii (2022a, 2023a, 2024a).

To prove or disprove the research hypothesis, it is worth carefully considering such a significant increase in revenues through the lens of contributions from regions and industries to the budget of the Russian Federation in the form of taxes and fees.

### *Contribution of regions to budget revenues in 2023*

Among the 19 regions that increased their contributions to the federal budget by more than 50 percent in 2023 compared to 2021, nine are recognized as underdeveloped Russian regions as Chuvash Republic (+72.4%), Smolensk Oblast (+71.6%), Kurgan Oblast (+68.7%), Zabaykalsky Krai (+66%), Republic of Mari El (+63.7%), Bryansk Oblast (+58.7%), Ryazan Oblast (+58.1%), Republic of Tuva (+57.3%), and Pskov Oblast (+53.2%) (Table 2, Appendix 2).

Region	Total amount of taxes and fees received		
	In 2021, bn. rub.	In 2023	
		bn. rub.	Compared to 2021, %
Amur Oblast	23.7	65.5	+ 176.4%
Tula Oblast	111.6	226.1	+ 102.6%
City of St. Petersburg	1,353.4	2,534.1	+ 87.2%
Murmansk Oblast	64.1	119.9	+ 86.9%
Vologda Oblast	134.9	237.4	+ 76.0%
Primorsky Krai	153.7	265.1	+ 72.4%
<b>Chuvash Republic</b>	<b>60.4</b>	<b>104.2</b>	<b>+ 72.4%</b>
<b>Smolensk Oblast</b>	<b>76.5</b>	<b>131.3</b>	<b>+ 71.6%</b>
Sakhalin Oblast	223.5	382.8	+ 71.3%
<b>Kurgan Oblast</b>	<b>37.5</b>	<b>63.3</b>	<b>+ 68.7%</b>
Nizhny Novgorod Oblast	400.0	669.0	+ 67.2%
<b>Zabaykalsky Krai</b>	<b>45.5</b>	<b>75.6</b>	<b>+ 66.0%</b>
<b>Republic of Mari El</b>	<b>29.5</b>	<b>48.3</b>	<b>+ 63.7%</b>
Rostov Oblast	243.8	397.1	+ 62.9%
<b>Bryansk Oblast</b>	<b>67.6</b>	<b>107.3</b>	<b>+ 58.7%</b>
<b>Ryazan Oblast</b>	<b>141.7</b>	<b>224.1</b>	<b>+ 58.1%</b>
<b>Republic of Tuva</b>	<b>8.3</b>	<b>13.0</b>	<b>+ 57.3%</b>
<b>Pskov Oblast</b>	<b>25.9</b>	<b>39.7</b>	<b>+ 53.2%</b>
Sverdlovsk Oblast	517.2	786.1	+ 52.0%

Table 2. Regions of the Russian Federation increased the total amount of taxes and fees received by the consolidated budget of the Russian Federation by more than 50% in 2023 compared to 2021. Underdeveloped regions are highlighted in blue. Data source: FNS Rossii (2022a, 2023a, 2024a).

In most of the above regions, the amount of taxes and fees collected in 2023 increased significantly. Next, the author analyzed which types of taxes gave a greater increase in tax contributions: corporate income tax, personal income tax, or both. As for *corporate income tax*, it can be noted that tax payments sharply increased – in other words, in 2023 they showed an increase of 50% or more compared to 2021 – in almost the same regions that we indicated as underdeveloped in Table 2. Among the leaders are Zabaykalsky Krai (+123%), Chuvash Republic (+81.6%), and Kurgan Oblast (+81.4%). In addition, for corporate income tax, the Ulyanovsk, Tver, and Omsk Oblasts and three Republics have been added to the listed regions. Notably, the increase in tax contributions occurred in 2023, in some cases after a fall in 2022. For example, Zabaykalsky Krai shows a +203% rise in 2023 after a 26.5% drop in 2022. Smolensk, Tver, Ulyanovsk, and Pskov regions also reveal remarkable growth in 2023 after a decline, although not as significant as Zabaykalsky Krai, in 2022 (Table 3, Appendix 3).

Region	Total amount of corporate income tax received		
	In 2021, bn. rub.	In 2023	
		bn. rub.	Compared to 2021, %
Zabaykalsky Krai	12.9	28.8	+ 123.0%
Chuvash Republic	11.2	20.3	+ 81.6%
Kurgan Oblast	6.0	11.0	+ 81.4%
Bryansk Oblast	10.5	18.9	+ 78.7%
Ulyanovsk Oblast	12.9	21.4	+ 65.8%
Tver Oblast	18.2	30.0	+ 65.1%
Pskov Oblast	4.8	7.9	+ 64.5%
Smolensk Oblast	17.4	28.4	+ 63.2%
Ryazan Oblast	17.7	28.2	+ 59.4%
Republic of Mari El	5.3	8.4	+ 58.2%
Karachay-Cherkess Republic	1.7	2.6	+ 54.4%
Omsk Oblast	24.7	37.8	+ 53.4%
Republic of Kalmykia	2.9	4.4	+ 52.8%
Ivanovo Oblast	8.8	13.3	+ 50.9%

<b>Republic of Buryatia</b>	<b>13.6</b>	<b>20.5</b>	<b>+ 50.1%</b>
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Table 3. Underdeveloped regions of the Russian Federation, which in 2023 increased the amount of corporate income tax received by the consolidated budget of the Russian Federation by more than 50% compared to 2021. Data source: FNS Rossii (2022a, 2023a, 2024a).

Considering regions that ramped up their *personal income tax* in two consecutive years (2022-2023), one came across the same regions such as Chuvash Republic, Bryansk Oblast, Kurgan Oblast, Smolensk Oblast, Republic of Mari El, Zabaykalsky Krai, and additionally Kostroma Oblast. In terms of personal income tax such growth by regions was not so significant so the author extracted only the top 15 territories that increased their personal income tax contribution the most (Table 4).

Region	Total amount of personal income tax received		
	In 2021, bn. rub.	In 2023	
		bn. rub.	Compared to 2021, %
Krasnodar Krai	111.7	179.4	+ 60.6%
<b>Chuvash Republic</b>	<b>16.7</b>	<b>26.0</b>	<b>+ 55.6%</b>
<b>Bryansk Oblast</b>	<b>18.4</b>	<b>28.4</b>	<b>+ 53.7%</b>
Novosibirsk Oblast	73.4	112.6	+ 53.4%
Primorsky Krai	60.8	93.3	+ 53.3%
<b>Kostroma Oblast</b>	<b>11.1</b>	<b>17.0</b>	<b>+ 52.3%</b>
Republic of Tatarstan	99.8	150.7	+ 51.1%
Leningrad Oblast	53.6	80.7	+ 50.6%
<b>Kurgan Oblast</b>	<b>12.1</b>	<b>18.1</b>	<b>+ 49.5%</b>
<b>Smolensk Oblast</b>	<b>17.6</b>	<b>26.2</b>	<b>+ 48.7%</b>
Rostov Oblast	79.2	117.1	+ 48.0%
Tula Oblast	33.0	48.8	+ 47.9%
<b>Republic of Mari El</b>	<b>10.0</b>	<b>14.8</b>	<b>+ 47.6%</b>
<b>Zabaykalsky Krai</b>	<b>25.0</b>	<b>36.8</b>	<b>+ 47.2%</b>
Irkutsk Oblast	69.6	102.0	+ 46.7%

Table 4. TOP-15 regions of the Russian Federation, which in 2023 increased the amount of personal income tax received by the consolidated budget of the Russian Federation compared to 2021. Underdeveloped regions are highlighted in blue. Data source: FNS Rossii (2022a, 2023a, 2024a).

What do the listed regions have in common? They are similar in industrial structure of a region, for example, in the existence of machine-building enterprises of the defense industry, and, consequently, in the employment structure, as well as in the level of household incomes.



Significantly, in terms of income and, consequently, tax contributions to the federal budget, they have never been included in the first two quartiles before. For example, as of 2021, all of these regions were in the bottom half of the median income per capita ranking (RIA Rejting, 2021). (See also Table 6 and Figure 1 on pages 12,13).

It is worth emphasizing that the increase in personal income tax collection cannot be explained by an increase in military payments to those who were mobilized or entered into contracts in the fall of 2022 or later. According to Federal Law 443, signed in November 2022, all payments to military personnel fighting in Ukraine are exempt from taxes and fees and therefore are not taken into account in the Federal Tax Service report (Ofitsial'nyy internet-portal pravovoy informatsii, 2022). Thus, these “military” incomes are not included in this analysis. The increase in personal income appears to be explained only by increases in employment and wages.

It should be noted that most defense procurements began in the summer of 2022 and were significantly increased in 2023. Thus, it is safe to assume that in 2023, the manufacturing industry, especially machine-building capacities and allied defense industries, were largely engaged and provided revenue influx to the respective regions.

### ***Contribution of industries to budget revenues in 2023***

Due to the government's allocation of funds for the production of weapons, military equipment, or ammunition (Goszakaz), large enterprises that were previously low-demanded machine-building assets, received huge budgets and investments, which, in turn, created many jobs and increased the incomes of many households. However, machine-building entities and allied industries in underdeveloped regions benefited not only because of Goszakaz but also due to the subsequent breakdown of supply chains with Western countries. Consequently, the Russian economy is fueled not only by the budget impulse but also by the fundamental changes in the

reorientation of the economy toward eastern markets. Defense procurement, coupled with Russia's sharp turn to the East and the flight of foreign companies, has freed up and/or created many niches in Russian markets. Several other industries have also benefited from increased consumer demand driven by rising business revenues and profits, on the one hand, and the need for domestic defense supply chains, on the other. Among the winning industries were those listed by the experts and confirmed by analysis of tax data, such as the textile and footwear industry, transport services and logistics, production of computers, electronic and optical products, the chemical industry, including the production of technical and medical gases, and food industry. Experts also mentioned the catering industry, but this is difficult to confirm since catering as an industry is not separately listed in official data.

Table 5 shows the top 10 industries with the greatest growth in corporate income tax received by the consolidated Russian federal budget in 2023. These industries are more than indicative.

Industry	Total amount of corporate income tax received		
	In 2021, bn. rub.	In 2023	
		bn. rub.	Compared to 2021, %
Production of primary precious metals and other non-ferrous metals	12.1	46.2	+ 283.4%
Production of dairy products	22.5	48.7	+ 116.2%
Clothing manufacturing	28.4	60.1	+ 111.4%
Processing and canning of meat and meat products	20.9	44.1	+ 110.8%
Production of food products	212.0	436.4	+ 105.9%

Insurance, reinsurance, activities of non-government pension funds, excluding compulsory social security	78.9	161.8	+ 105.0%
Production of electrical equipment	99.7	203.6	+ 104.2%
Water transport activities	33.1	65.7	+ 98.1%
Production of chemical substances and chemical products	173.3	340.2	+ 96.3%
Leasing and renting of passenger cars and light motor vehicles	9.4	18.3	+ 95.5%

Table 5. TOP-10 industries, which demonstrated the greatest increase in the total amount of corporate income tax received by the consolidated budget of the Russian Federation (in %). Data source: FNS Rossii (2022b, 2023b, 2024b).

### ***Groups of people who increased their income as of 2023***

The budget impulse followed by industrial growth inevitably affected household incomes. According to the FSSS official report (Federal'naya sluzhba gosudarstvennoy statistiki, 2024b), real disposable personal income, having decreased by 1% in 2022, grew by 5.8% in 2023. According to the Central Bank of the Russian Federation, the individuals' funds in bank accounts (excluding funds in escrow accounts) grew by 6.9% in 2022 and by 19.7% in 2023 (Bank Rossii, 2024, p. 8).

However, personal incomes grew unevenly across regions. The most significant growth occurred mainly in regions included in the 3rd and 4th quartiles among Russian regions according to the ranking of average per capita income<sup>1</sup>. At the end of 2023, many of these “poor” regions

<sup>1</sup> The regions were initially ranked based on the average income per capita in 2021 (Federal'naya sluzhba gosudarstvennoy statistiki, 2024c) and divided into four quartiles. Subsequently, regions' new positions in the ranking 2023 were determined based on the same criteria - the average income per capita in 2023 (Federal'naya sluzhba gosudarstvennoy statistiki, 2024c). Then the author calculated changes in ranking positions compared to 2021. These changes by regions were then aggregated within each quartile to obtain the cumulative differences among quartiles (Fig.1).

significantly improved their positions in the ranking of average per capita income (Table 6).

Region	Position in 2021 ranking	Position in 2023 ranking	Change in position in the ranking in 2023 compared to 2021 (in ranking points)
<b>Kabardino-Balkar Republic</b>	<b>75</b>	<b>54</b>	<b>+ 21</b>
<b>Zabaykalsky Krai</b>	<b>53</b>	<b>34</b>	<b>+ 19</b>
<b>Jewish Autonomous Oblast</b>	<b>48</b>	<b>37</b>	<b>+ 11</b>
<b>Omsk Oblast</b>	<b>51</b>	<b>41</b>	<b>+ 10</b>
<b>Kostroma Oblast</b>	<b>58</b>	<b>48</b>	<b>+ 10</b>
<b>Altai Krai</b>	<b>74</b>	<b>65</b>	<b>+ 9</b>
<b>Tver Oblast</b>	<b>45</b>	<b>38</b>	<b>+ 7</b>
Samara Oblast	37	31	+ 6
<b>Irkutsk Oblast</b>	<b>47</b>	<b>42</b>	<b>+ 5</b>
<b>Kirov Oblast</b>	<b>66</b>	<b>61</b>	<b>+ 5</b>
<b>Kurgan Oblast</b>	<b>78</b>	<b>73</b>	<b>+ 5</b>
Rostov Oblast	30	26	+ 4
<b>Smolensk Oblast</b>	<b>44</b>	<b>40</b>	<b>+ 4</b>
<b>Novgorod Oblast</b>	<b>56</b>	<b>52</b>	<b>+ 4</b>
<b>Republic of North Ossetia - Alania</b>	<b>76</b>	<b>72</b>	<b>+ 4</b>

Table 6. TOP-15 regions of the Russian Federation, which demonstrated the greatest increase in the ranking of average per capita income in 2023 compared to 2021. Regions from the 3<sup>rd</sup> and 4<sup>th</sup> quartiles in the ranking of 2021 are highlighted in blue. Data source: Federal'naya sluzhba gosudarstvennoy statistiki (2024c).

At the same time, if one summarize all changes in the rating within each quartile, it turns out that the most salient and positive changes occurred in the regions included in the 3<sup>rd</sup> and 4<sup>th</sup> quartiles in 2021. On the contrary, the changes that occurred in the regions included in the 1<sup>st</sup> quartile are equal to zero (Fig. 1).

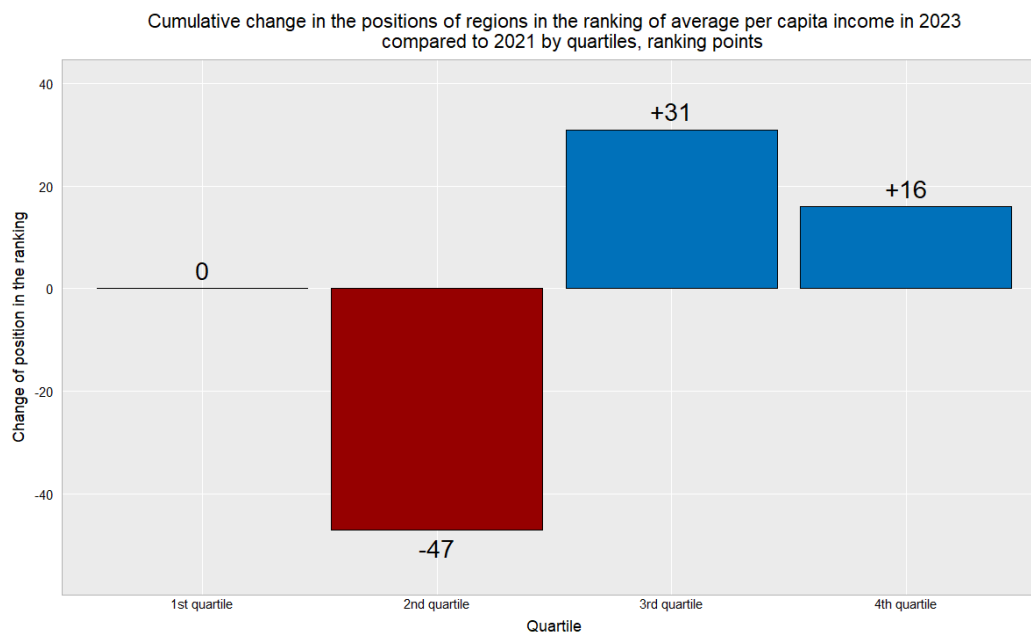


Fig. 1. Cumulative change in the positions of regions in the ranking of average per capita income in 2023 compared to 2021 by quartiles in ranking points. Data source: Federal State Statistics Service (2024c).

According to Rosstat, wages have remained the main source of income in Russia for many years. In 2023, it accounted for 59% of the household income (Federal State Statistics Service, 2024a). Wages in Russia grew throughout 2022-2023: in 2022, the growth was 14.1%, and, in 2023, it was 12.8% (Federal'naya sluzhba gosudarstvennoy statistiki, 2024d). However, the growth in total household incomes was also unevenly distributed. At least, two factors can be traced as the main factors contributing to the growth of household incomes:

1) Salary in 2021. Statistics show that by 2023, there was a decrease in the share of salaries ranging from 10,600 to 35,000 RUB by 11.4% compared to 2021. At the same time, the share of salaries ranging from 35,000 to 50,000 RUB increased by 7.4%. The proportion of employees receiving salary in the range of 50,000-75,000 RUB also decreased by 7.2% while the share of workers with wages exceeding 75,000 rubles increased. by 11.17% (Federal'naya sluzhba gosudarstvennoy statistiki, n.d.) (Fig. 2). Thus, obviously, some categories of people went to the groups with higher wages.

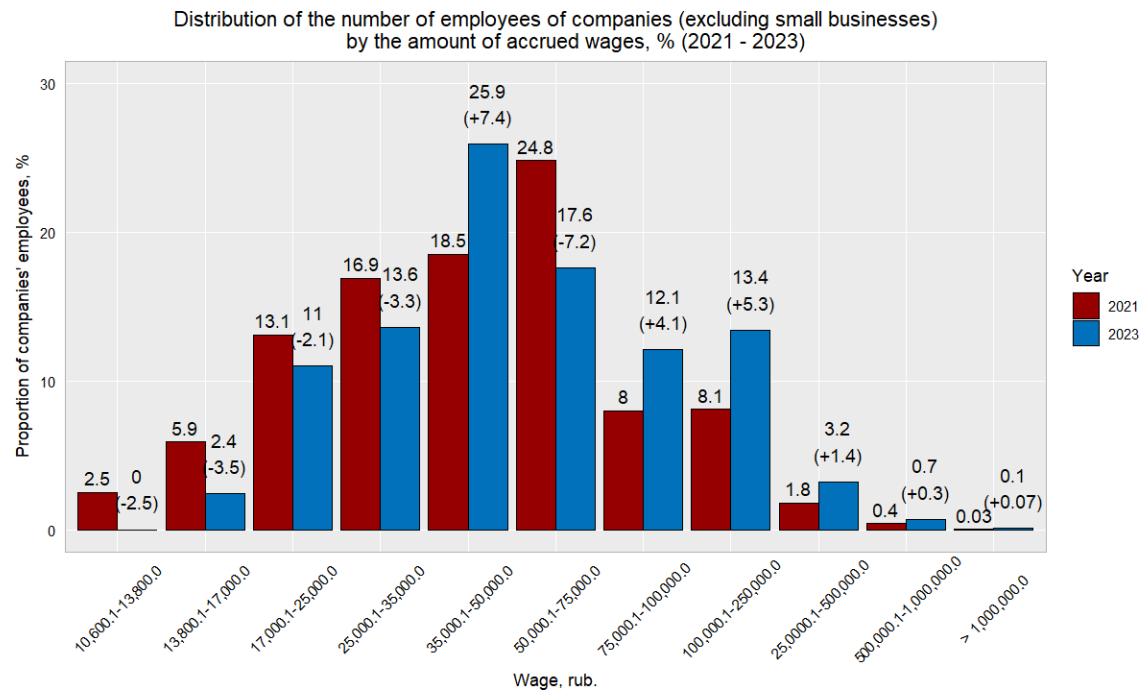


Fig. 2. Distribution of the number of employees of companies (excluding small businesses) by the amount of accrued wages, 2021-2023, %. Data source: Federal'naya sluzhba gosudarstvennoy statistiki (n.d.).

2) Occupation. In 2023, Russia experienced a sharp increase in demand for most blue-collar professions (+97% compared to 2022). For example, the demand for milling operators has tripled, and for lathe operators has doubled (Forbes.ru, 2023a). As of August 2023, 60% of enterprises experienced personnel shortages (Bank Rossii, 2023). Based on the results of 2023 – beginning of 2024, salaries of the scarcest specialists increased by 30–90% (Forbes.ru, 2023b, 2024) (Fig. 3).

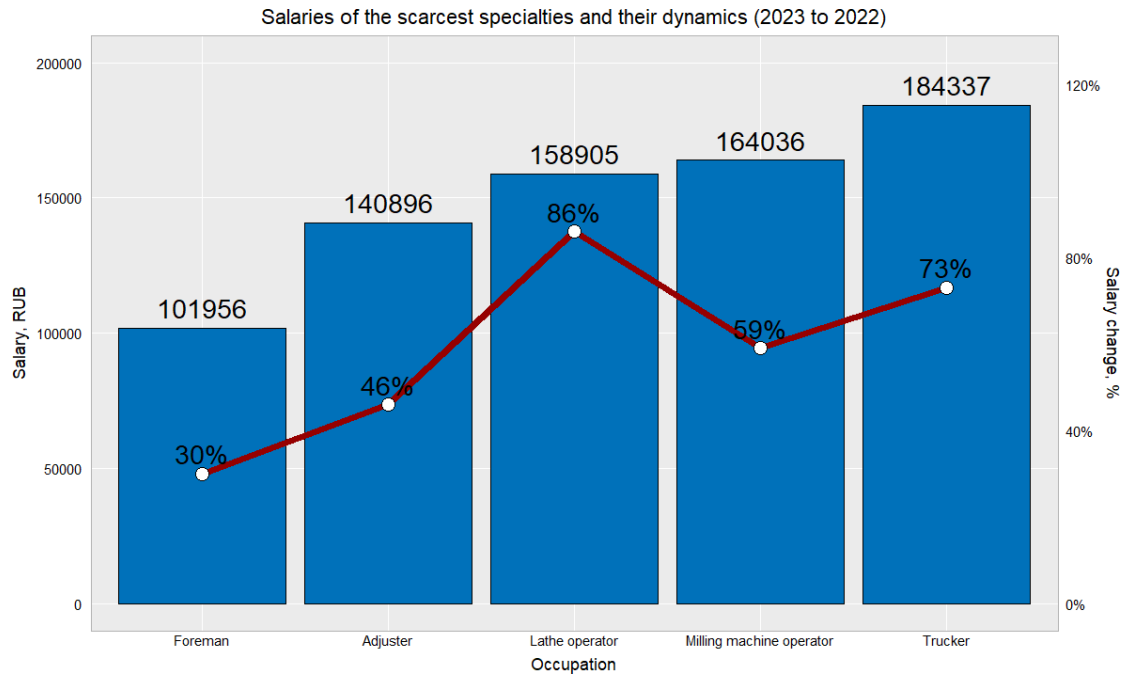


Fig. 3. Salaries of the scarcest specialties and their dynamics (2023 to 2022). Data sources: Forbes.ru (2023b, 2024).

Thus, it is safe to say that the largest beneficiaries in the labor market were individuals with persistently low incomes as of the end of 2021, as well as other workers whose incomes in relative terms significantly increased several times.

## Conclusion

The author can conclude with a high degree of confidence that the beneficiaries of the Ukrainian war are groups of people, territories, and industries that were once among the most disadvantaged. These include underdeveloped regions, previously low-demand industries and low-income and underserved groups of the population living in small and medium-sized cities and employed in professions that did not require high qualifications and education. For the first time, some groups of people who had struggled to make ends meet for decades in modern Russia were able to earn incomes many times greater than what they were accustomed to. The author's results show how their salaries have grown, as well as the revenues of industries and entire territories.

The military advantages deserve additional mention. The men and women who sign the contracts are paid as mercenaries. Such payments are huge even compared to the average income of metropolitan residents, not to count those who live in small and medium-sized cities and rural areas. The payments that families in these territories receive for conscripting their relatives into the army, combined with increased wages, create a strong, pragmatic economic and social basis for supporting the decisions of the Russian authorities.

To summarize, from the researcher's point of view, the current war is fueled not so much by feelings of resentment or hostility towards the Western world, although these reasons are not denied by the author, but by pragmatic interests combined with a sense of restoring "justice" from people who felt lost in more than 30 years of modern Russia. The lion's share of these people is also considered the easiest targets for propaganda. This is exactly the case when a refrigerator, together with a TV, forms strong beliefs and unshakable support for the Putin regime.

## **Discussion**

Considering the author's findings, it is important to keep two limitations in mind. No one will dispute the fact that the Putin regime is supported by more than just these groups of people and that more than just these groups benefit from the war. It makes sense to include among the beneficiaries such groups as entrepreneurs who have become owners of abandoned foreign or domestic assets, as the author suggested earlier, and, of course, families of loyal officials who are rewarded with huge budget funds. Another group of beneficiaries is the so-called "siloviki"<sup>2</sup>, who receive increased payments and enjoy fishing in troubled waters. Further study of these groups is expected.

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<sup>2</sup> "Siloviki" is a collective term used to refer to all personnel, including troops and officers, across various law enforcement agencies.

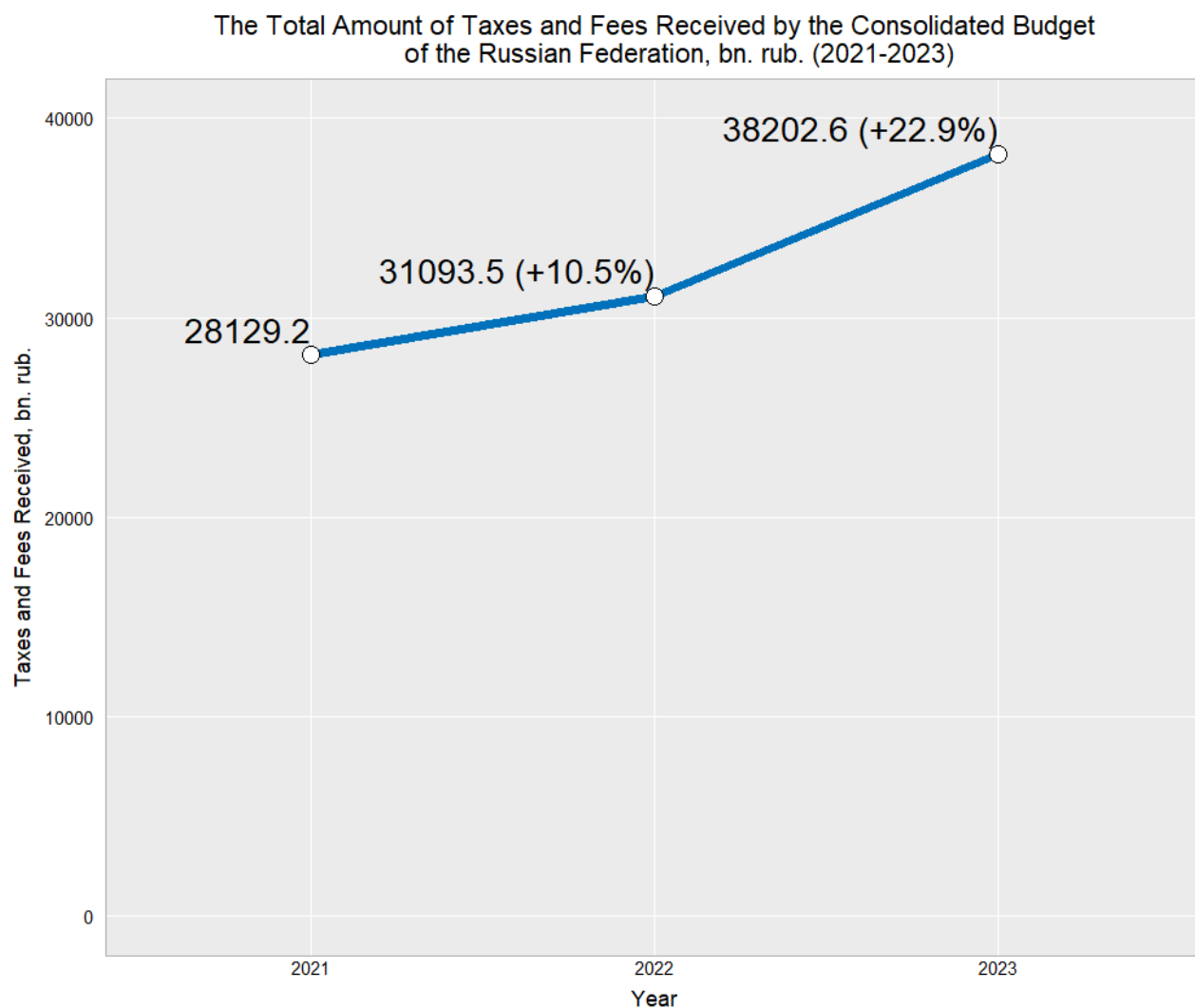


As for the second limitation, it should be borne in mind that this multiplier effect of the budget impulse is most likely temporary and strictly related to the allocation of funds by the government (Goszakaz). The budget impulse is expected to weaken over time. Consequently, the researcher makes their findings applicable only to 2023. In the context of a rapidly changing world and the unpredictability of the Ukrainian war, the author tends to refrain from making definitive predictions for 2024 and subsequent years. At the same time, the author, based on her findings, moves on to the next hypothesis, which has yet to be proven, that if economic and social conditions remain the same, support for the Putin regime will strengthen and may even expand.

### **Acknowledgement**

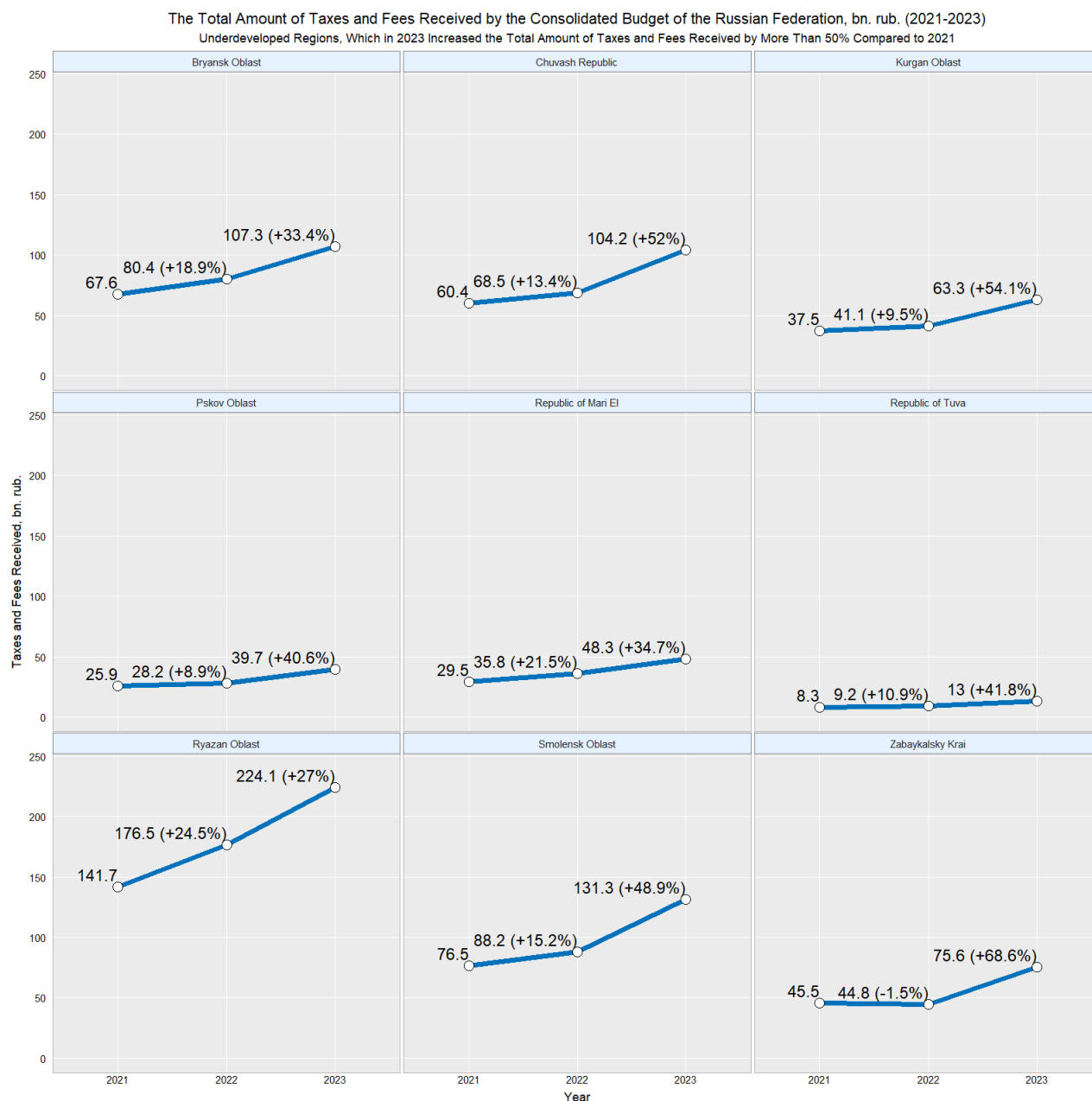
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## Appendix 1. The total amount of taxes and fees received by the consolidated budget of the Russian Federation (2021–2023).



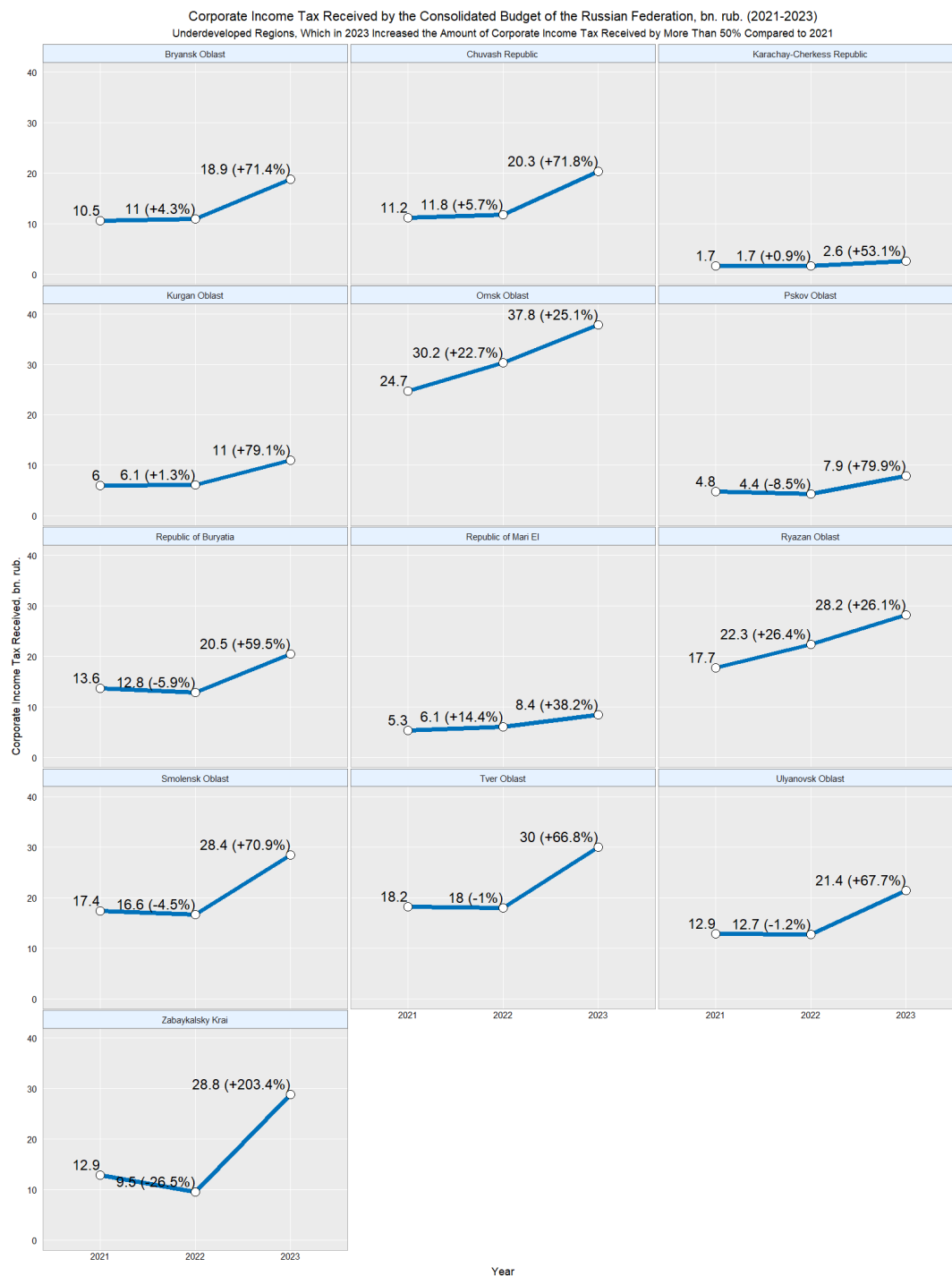
Data source: FNS Rossii (2022a, 2023a, 2024a).

## Appendix 2. Underdeveloped regions of the Russian Federation, which in 2023 increased the total amount of taxes and fees received by the consolidated budget of the Russian Federation by more than 50% compared to 2021.



Data source: FNS Rossii (2022a, 2023a, 2024a).

### Appendix 3. Underdeveloped regions of the Russian Federation, which in 2023 increased the amount of corporate income tax received by the consolidated budget of the Russian Federation by more than 50% compared to 2021.



Data source: FNS Rossii (2022a, 2023a, 2024a).

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