The verdict delivered on August 17, 2015, by Mikhail Piotrovsky, director of the State Hermitage Museum in St. Petersburg, was unambiguous: “Our society is ill.”

Three days earlier, Dmitry (Enteo) Tsorionov and a group of activists calling themselves God’s Will had raided an exhibition of contemporary sculpture at Moscow’s Manege exhibition center, adjacent to Red Square and the Kremlin. There, Enteo and his comrades damaged works by prominent Russian and international artists, including the leading twentieth-century Russian sculptor Vadim Sidur, accusing them of blasphemy and apostasy. While prosecutors deliberated over whether to press charges, others—such as Russian Orthodox Church spokesman Vsevolod Chaplin—suggested that the exhibition’s curators be charged under a 2013 law that criminalizes offending the sensibilities of religious believers.

In a public statement released on behalf of the Hermitage and the Russian Union of Museums, of which he is president, Piotrovsky was the only establishment figure to speak out openly against Enteo and in defense of art.

Piotrovsky’s despairing cry of the soul is of a kind with statements heard recently from people who occupy very different positions in a very different country. On August 20, 2015, US Secretary of Defense Ashton Carter told journalists:

“[F]or a quarter-century or so, since the end of the Cold War, we have not regarded Russia as an antagonist. Vladimir Putin’s Russia behaves, in many respects . . . and in very important respects, as an antagonist. That is new. That is something, therefore, that we need to adjust to and counter. . . . We are adjusting our capabilities qualitatively and in terms of their deployments, to take account of this behavior of Russia. We are also working with NATO in new ways . . . more oriented towards deterrence on its eastern border and hardening the countries on the borders of Russia.

Through much of President Vladimir Putin’s first two terms in the Kremlin, it was possible to debate whether or not Russia was becoming an authoritarian state, just as many in the 1990s debated whether or not Boris Yeltsin’s Russia was making effective strides toward democracy. By the time Putin “castled” with Dmitri Medvedev in 2008, assuming the premiership while Medvedev became president, most analysts had placed Russia in the camp of hyphenated authoritarianism: semi-authoritarian, hybrid-authoritarian, or electoral-authoritarian. It had elections, a press, and a civil society that, while far from free and fair, left at least some room for contestation. For the four years of Medvedev’s presidency, those who wanted to believe in Russia’s gradual political and economic modernization were given reason to do so: a president who said that “freedom is better than non-freedom,” railed against “legal nihilism,” invested in the internationalization of higher education, and carried an iPhone. But even after Putin and Medvedev switched chairs again in 2012, demonstrating to many Russians a startling degree of constitutional nihilism, the emergent opposition whose protests had so spooked the Kremlin in 2011 led some to believe that the country was, on the whole and despite the best-laid plans of its leadership, becoming more democratic, not less.

By the summer of 2015, Russia’s quarter-century of ambiguity was over. Signals that were once seen as contradictory are now increasingly
interpreted in a single direction, and responses cease to fluctuate. Russia’s citizens—elites and masses, supporters and opponents of Putin—have solidified their stances, as have investors and Moscow’s global interlocutors. The Kremlin, too, has solidified its positions, introducing over the past two years a hierarchy of political power and an ideological basis for legitimacy, both of which it had studiously avoided for more than a decade.

In a policy briefing released in June, Celeste Wallander, special assistant to US President Barack Obama and senior director for Russia and Eurasia on the National Security Council, summed up the prevailing sentiment: “Realism requires us to deal with the Russia we face, not merely the Russia that so many—including Russians—hoped for.”

**Structural Sources**

The crisis of international security to which Wallander and Carter refer is the effect, rather than the cause, of Russia’s present predicament. This predicament began well before Russia’s annexation of Crimea and instigation of war in eastern Ukraine provoked conflict with Europe and the United States, before the imposition of Western sanctions raised the cost of capital for the Russian economy, and before the collapse in global oil prices knocked the legs out from under the ruble. The proximate causes of the end of ambiguity in Russia lie in two structural challenges: the exhaustion of an inefficient model of economic growth and the increasing personalization of power. These, in turn, have drawn Russia into a path-dependent course of action that has come to dominate domestic and foreign policy making and which exacerbates the effects of both structural challenges.

First is the problem of economic growth. In mid-2008, almost a year after the global financial crisis had plunged the United States and Europe into recession, a delayed but concomitant drop in oil prices, together with rising borrowing costs for emerging markets, caused the first significant economic downturn since Putin’s ascent to power. It ended a period of nearly eight years during which Russian gross domestic product grew, on average, some 7 percent a year. The result was a severe—if short—10-percent contraction of GDP. With more than half a trillion dollars in accumulated reserves, the Kremlin effectively softened the blow, providing liquidity to industry and banks, preventing a major jump in unemployment, and laying the groundwork for a rapid recovery.

When the Russian economy did recover in the following year, however, it settled at a considerably lower rate of growth. From the point of recovery in 2009 until Russia plunged back into recession in late 2014, GDP growth averaged 2.5 percent per year, a pace that the International Monetary Fund said, in a 2015 report, “reflects stalled structural reforms, weak investment, declining total factor productivity, and adverse population dynamics.” It added, “In particular, excessive regulation, weak governance and a large government footprint in the economy have discouraged efficiency-enhancing investment.” Researchers from INDEM, a Russian anticorruption think tank, found in 2009 that even as the economy contracted in the 2008 recession, the total amount of money collected by corrupt bureaucrats in bribes and kickbacks from businesses remained more or less constant, meaning that corruption as a share of economic activity actually increased.

The causes of this problem are straightforward: Russia’s rentier political economy, in which elites compete for temporary control over the rent flows generated by a combination of natural-resource extraction and state infrastructure investment, minimizes the incentive for productivity-boosting investment while maximizing demand for rents. While liquidity is high and growing—as with the constantly increasing oil prices of the 2000s—this is manageable, and some of the windfall trickles down to the average citizen in the form of growing salaries and access to cheap consumer credit. But when liquidity becomes tight (and galloping inefficiencies mean that it would become tighter even if oil prices were to remain high), the system freezes up.

This brings us to the problem of power. Faced with a hungry and competitive elite that was not eager for political accountability but equally feared the winner-take-all competition of the 1990s, Putin instituted a political and economic power-sharing arrangement that effectively maximized both access to rents and the longevity of the system itself. This system, for all intents and purposes, made Putin the arbiter of intra-elite competition. It involved three simple rules. First, all strategic political and economic assets belong to the system as a whole and cannot be used by any individual competitor to gain advantage. Second, competitors have “leasehold” control over their assets and agree to relinquish that control when the system needs to redistribute rents, safe in the
knowledge that they will be compensated. Third, any competitor who violates either of the first two rules is out of the game.

Putin's primary role as arbiter was to enforce the rules of competition and maintain a degree of balance. The presence of an arbiter in a rentier system, as the Ukrainian economist Vladimir Dubrovskiy and colleagues have shown, helps avoid both the dissipation of rent flows and the overconcentration of rent-producing assets in the hands of any one competitor or group. But Putin also played a second and no less important role, as legitimator. Even as Russia moved further and further from democratic enfranchisement, elections continued to play an important, ritualized role in Russian political life, while the revolutions that periodically brought down autocratic regimes around the world reminded Russia's rulers of the importance of public quiescence—and of how quickly it can evaporate. While Russia's oligarchs and bureaucrats were broadly seen by citizens as little better than thieves, Putin emerged in 1999 as a genuinely popular prime minister with a young and sober persona, untainted by the corruption of the 1990s, who promised the restoration of security and a moderately reformist agenda. He was the personification of power in post-Yeltsin Russia, the legitimate public face of an elite that otherwise had no claim on legitimacy.

By 2008, however, this personification of power had begun to devolve into something much more akin to personalized power. Neither the elite's trust in Putin as arbiter nor his public legitimacy transferred easily to Medvedev when he became president. Whether by design or by accident, the exercise of both roles remained firmly in the hands of Putin himself, with the effect that, by the time he announced his impending return to the presidency in September 2011, it had become clear that power rested not with the office but with the man. This gradual personalization of power meant that increasing resources now had to be devoted to the maintenance of Putin's own legitimacy—which, in the face of the slowing economy after 2009, had begun to wane.

**Uncertainty Principle**

The outbreak of protests in Moscow, St. Petersburg, and a handful of other major Russian cities after parliamentary elections in December 2011 was not the first time Putin's Kremlin had seen mass dissatisfaction. In January 2005, hundreds of thousands of pensioners, joined by students, rose up to demand the rollback of reforms to social benefits—and the government conceded. That summer saw the launch of a motorists' movement that would similarly force the government to think twice about import restrictions and other rules for years to come. And in neighborhoods across the country, hundreds of small-scale “not in my backyard” protests occurred nearly every week, mostly involving unwanted construction and encroachment on green spaces. The standard response to most of these efforts was a combination of mild coercion and moderate co-optation, but where these failed the government frequently backed down.

The response to the 2011–12 protests against perceived electoral fraud was different. Initially, the tens and then hundreds of thousands who poured into various Moscow protest sites were tolerated, if grudgingly, by the authorities and the riot police, who stood idle. Some of the protests and their leaders even made it to the airwaves on state-controlled television. But at a February 2012 Putin campaign rally, that changed. Putin abandoned his previously inclusive rhetoric and declared the opposition to be traitors backed by the West, seeking to subjugate Russia to foreign control. On May 6, 2012, the day of Putin's inauguration, riot police charged into a sanctioned protest march, carting off hundreds of participants and charging 28 with “mass unrest.” By July 2012, the government had passed a law that would classify most civic organizations receiving foreign funding as “foreign agents” and severely restrict their activities, and a second law allowing the government to block Internet sites without a court order. That same month, Aleksei Navalny, the most prominent of the protest leaders, was charged with embezzlement in a case most observers believed to be fraudulent; by December 2012, he had been charged in a second case.

And yet a degree of ambiguity remained. In July 2013, Navalny was sentenced to five years in prison in the first of his two trials, only to be released on a suspended sentence—at the prosecutors' request—two days later. The same month, Yevgeny Urlashov, the mayor of Yaroslavl, whom
Navalny had backed, was arrested and removed from office. In September, Navalny garnered 27 percent of the vote in Moscow’s mayoral race, while his political ally, Yevgeny Roizman, won the mayoral vote in Ekaterinburg—only to have the Kremlin-controlled city council hand most of the mayor’s power to an unelected city manager.

Similarly ambiguous was the case of Mikhail Khodorkovsky, the oil magnate who had been jailed on tax charges in 2003. In the spring of 2013 the government opened an investigation into a handful of economists, lawyers, and other experts who had written confidential reports for Russia’s Public Chamber (a quasi-governmental assembly of state-sanctioned civic figures) questioning the legality of Khodorkovsky’s conviction; one of them, the prominent economist Sergei Guriev, fled the country, fearing prosecution. To date, however, no one has been prosecuted, and Khodorkovsky himself was released into exile in December 2013.

Prior to 2012, this kind of ambiguity had been at the heart of Russia’s political economy. Indeed, it was through the manufacture and manipulation of uncertainty that Putin exercised control. There were, after all, very few institutional limitations on his policy making. With his effective control of the media and the party system, there were few avenues through which anyone could force him to make decisions he did not like. As the Russian political geographer Nikolay Petrov has observed, though, that lack of institutionalization meant that most of Putin’s formal mechanisms of power were weak: He could not rely on party discipline, media scrutiny, or the legal system to keep his elite in line.

Uncertainty, then, was the next best thing. By not allowing his policy making to become predictable, Putin could keep all eyes focused on himself and keep oligarchs and ministers alike guessing where he would turn next. This strategic ambiguity extended to Russian society, as well, with no better illustration than the Putin-Medvedev tandem, which provided both conservatives and liberals with a “champion” in power. And it characterized relations with the West: Russia could go to war against an American ally in Georgia while simultaneously widening supply routes to Afghanistan for NATO.

**Predictable power**

In 2012, faced with a faltering economy and fading popularity, Putin’s Kremlin began to become increasingly predictable, across almost all domains.

Despite hints of an opening—the restoration of gubernatorial elections, for example, or the easing of opposition candidates’ access to regional elections—the space for competition closed drastically. In December 2013, Putin fired the relatively liberal head of the state news agency RIA Novosti and gave her replacement, Dmitry Kiselev, a clearly specified propaganda mission; Kiselev’s own weekly broadcasts featured personal attacks on opposition leaders, accompanied by documentaries warning of nefarious Western plots against Russian sovereignty. In January 2014, TV Rain—the only opposition television channel with national coverage, albeit on cable and the Internet—was evicted from its premises. In March 2014, the government blocked access to several independent news websites, including Lenta, Grani, EJ, and the personal blogs of Navalny and another opposition figure, the expatriate former chess champion Garry Kasparov; access was restored to Lenta, one of the most popular news sites in the country, after its editor was fired. Pavel Durov, the founder and chief executive of VKontakte, a Russian social networking site that had refused to hand over the personal data of protesters to the security services, was forced out in April 2014.

By the September 2014 regional elections, pretexts had been found to remove virtually all opposition candidates from the ballots. Navalny and his comrades were disqualified from Moscow city council elections, in the city with the highest number of anti-Putin voters. In December 2014, Navalny was given a second suspended sentence, while his brother Oleg was sent to prison.

With less drama, the contours of competition within the government changed, as well. What had been a relatively flat system, in which the countervailing blocs of interests—the economic and security ministries, the hydrocarbon and high finance lobbies, and so on—could all expect to win or lose a policy fight on any given day, was replaced by a more rigid hierarchy of priorities, with the security interests on top. The ministers responsible for finance, economic development,

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**While the Kremlin has marginalized its opposition, it has not wiped out all dissent.**
and social policy have found themselves protesting impotently as the military and infrastructure sectors raid sovereign wealth funds to pay for rapid increases in spending, and fighting rear-guard battles to maintain a modicum of fiscal responsibility. It was in response to the growing subjugation of economic interests to the security establishment that Aleksei Kudrin, Putin’s long-time colleague and the finance minister who engineered the sovereign wealth funds, resigned in September 2011. He has refused steadfastly to return to office since then.

Foreign policy, too, was becoming increasingly predictable, at least on the American front. In September 2012, Russia forced the shuttering of the US Agency for International Development’s operations in the country, and the following month withdrew from the Nunn-Lugar Cooperative Threat Reduction program for securing and dismantling nuclear and chemical weapons in the former Soviet states. In December 2012, as a response to the Magnitsky Act, which imposed sanctions on a handful of Russian officials believed to be involved in the death of the lawyer Sergei Magnitsky, Moscow banned the adoption of Russian orphans by American citizens. In January 2013, Russia withdrew from cooperation agreements on narcotics and human trafficking. And in June 2013 Russia gave asylum to the former US National Security Agency (NSA) contractor Edward Snowden after he leaked NSA documents. There had, in fact, been no signs of rapprochement with Washington since Putin returned to the Kremlin.

**THE IDEOLOGY OF THREAT**

The narrative underpinning all of these shifts—the construction of a new hierarchy of power, the unrelenting attacks on the opposition, the rise of confrontation with the United States—was one of threat. It began in Putin’s campaign speech of February 2012, when he invoked (quoting the nineteenth-century poet Mikhail Lermontov) the memory of invasion by Napoleon and Hitler, and the heroic defense of Moscow. State television showed “documentary” films with titles like “The Anatomy of Protest” and “The Biochemistry of Treason,” accusing the opposition of taking its orders from the US State Department and drawing historical parallels to Soviet-era Nazi sympathizers. Laws were passed in 2013 imposing fines and prison terms for “propagandizing nontraditional sexual relations” and “offending the sensibilities of religious believers.” The opposition was portrayed as espousing values foreign to Russia’s conservative majority, standing in league with homosexuals, blasphemers, and Americans. This, too, was said to be a threat to Russia’s way of life.

Thus did Putin, who had previously built his legitimacy as the technocratic guarantor of stability and prosperity, become the charismatic defender of Russian values, civilization, and sovereignty. To be sure, Putin had spoken this language before, developing the concept of “sovereign democracy” as a bulwark against the “color revolutions” in Georgia and Ukraine, and railing against American missile defense plans and NATO expansion. But in years past, his strongest claim to power was technocratic. By the end of 2013, an increasing chorus of observers began to describe Putin in terms of charismatic legitimacy.

And then, on February 22, 2014, Ukrainian President Viktor Yanukovych fled Kiev. For nearly three months, protesters in Kiev’s Maidan Nezalezhnosti (Independence Square) had demanded that Yanukovych sign an Association Agreement with the European Union; instead, he signed a $15 billion trade and subsidy package with Moscow and turned the police on the Maidan. The result was an escalation of violence his regime could not survive. Five days after his downfall, Russian soldiers—dubbed “little green men” for their green uniforms without insignia—were in Crimea; 19 days after that, Crimea was annexed by Russia. A month later, “little green men” entered eastern Ukraine, sparking a war that continues today. In response, the EU, the United States, and a handful of other countries imposed sanctions, targeted primarily at Russia’s top economic and political elite, and at raising the cost of capital for Russian business and the budget. Moscow has retaliated by banning imports of food and most agricultural supplies.

Even before the sanctions hit, the narrative of political threat in Russia and the story of Ukraine became one. In the Russian official discourse, the new government in Kiev was a “fascist junta” whose purported threats to the Russian-speaking populations of Crimea and the eastern Donbas region necessitated Moscow’s intervention in defense of the “Russian world.” That Ukraine’s new leaders enjoyed the backing of Washington and Brussels served to underscore the supposed link to opposition movements in Russia; the battle against them had already been portrayed as a recapitulation of the Soviet Union’s
resistance to Nazism. At Kremlin-backed pro-government rallies, under banners reading “Anti-Maidan,” malign-looking portraits of Navalny, Boris Nemtsov, and other Russian opposition leaders were trampled alongside those of Ukrainian President Petro Poroshenko and Prime Minister Arseniy Yatsenyuk.

Compared with the Marxist-Leninist doctrine that once structured so much of Soviet life, the ideology of threat is both remarkably shallow and extremely flexible. Thus far, at least, it imposes on its adherents little more than a demand for rhetoric (referring to Ukrainians as fascists and to protesters as traitors, for example) and, occasionally, ritual (as with the confiscation and destruction of Hungarian geese or French cheese). Yet it structures the behavior of a wide range of actors. The language of threat permeates the speeches of statesmen, while not one government official—and only one member of parliament—has spoken out against the war in Ukraine.

Powerful, too, is the demand for traditionalist retrenchment—so much so, that both the Communist Party and the Russian Orthodox Church have backed a proposal to build a monument to the tenth-century Kievan Prince Vladimir, who first adopted Christianity, in front of the old KGB headquarters on Lubyanka Square in Moscow. The most visible symbol of the “anti-Maidan” movement is a leather-clad biker nicknamed “The Surgeon,” who rides a Harley-Davidson, sports a prominent Russian Orthodox cross, and claims allegiance to Putin and Chechen President Ramzan Kadyrov, the man on whom Putin relies to keep peace in the Caucasus but whom most Russians revile.

The simultaneous introduction of ideology and hierarchy into a political system encourages and emboldens some to act of their own accord. YouTube is replete with videos of local political rallies and even holiday celebrations featuring Obama burned in effigy, and speeches calling for opposition leaders to be executed as traitors. On February 27, 2015, Nemtsov was murdered just steps from the Kremlin wall, in full view of surveillance cameras. The slain politician’s supporters blamed the assassination—and the apparent impunity of its perpetrators—on the climate of fear and hatred engendered by the Kremlin’s ideology of threat. The same thought, albeit with less fearsome consequences, is expressed in the Hermitage director Pietrovsky’s response to the art vandals.

**US VS. THEM**

Russia’s economy is predicted to shrink by 3.5 percent in 2015 and, at best, to stagnate in 2016. The ruble, which stood at 32 to the dollar when Putin was inaugurated in May 2012, at the time of this writing had fallen to nearly 70 to the dollar. While reserves have been used, as in 2008, to help prevent a spike in unemployment, incomes have fallen precipitously in real terms. Consumer and mortgage lending have dried up, further dampening consumption. Since January 2014, the central bank has closed some 155 banks; hundreds of others are considered “zombies,” simply waiting their turn to be shut down. Retaliatory sanctions against imports, meanwhile, have increased the prices of some foods—including basic staples—by as much as 40 percent.

And yet, aside from petitioners asking to be bailed out of their foreign-currency mortgages (which have now doubled in cost), there are no economic protests in Russia to speak of. Even the few truly independent labor unions are silent. In the narrative of threat, economic hardship is the price to be paid, willingly, for the return of Crimea and the defense against Western encroachment. The mounting difficulties of daily life may be the stuff of kitchen-table gripes, but there is no space for them in public.

That is not to say, however, that protest has vanished from Russia. An antiwar rally on September 21, 2014, drew some 50,000 Muscovites into the streets, and about half as many in St. Petersburg, carrying both Russian and Ukrainian flags. A similar number marched to mourn Nemtsov on March 1, 2015. But at least by anecdotal evidence, the participants in those rallies are the same people who came out for the election protests of 2011–12, those who self-identified as “them” when Putin began to use “us versus them” rhetoric in his campaign, and against whom the narrative of threat has been deployed. These marches serve as a reminder that, while the Kremlin has marginalized its opposition, it has not wiped out all dissent.

The two most prominent ongoing protests in Russia right now have nothing to do with Ukraine
or the economy, or even, on the face of it, with politics. Instead, they concern parks: the massive Moose Island park in northeast Moscow, and the somewhat smaller Friendship Park in the northwestern part of the capital. In a part of Moose Island known as Torfianka, local residents have come together to block the construction of a new church on park grounds; in Friendship Park, protesters are seeking to stop the construction of a new sports complex. In both cases, they have been joined by well-wishers in the face of the same kinds of low-grade coercion and co-optation that local officials typically employ against such groups.

But whereas aggrieved local protest groups in years past would have petitioned Putin to intercede on their behalf and eschewed all links with the opposition, the Moose Island and Friendship Park protesters have done precisely the opposite. Navalny and his organization may or may not be part of their solution, but Putin and his Kremlin are very much part of their problem, even if their political predilections are decidedly mixed. While the public sense of pride and political loyalty has grown by leaps and bounds, even winning back some who had turned against Putin in 2011, there is little prospect of a restoration of enfranchisement. When powerful interests driven by the hunger for rents or the zeal of ideology encroach on the commons—and there is no clearer commons than a neighborhood park—turning to the Kremlin for help is not an option.

The situation is somewhat more complicated for Andrei Belousov, Putin's economic adviser. In a policy address on August 17, 2015—the same day Piotrovsky made his statement that “Our society is ill”—Belousov declared that without massive structural reform, the Russian economy would stagnate. In April, German Gref, the former minister of economic development and current chief executive of Sberbank, the state-owned banking giant, said, “If we do not undertake the most significant structural reforms in the very immediate future, I don’t see any sources for economic growth and, thus, for the prosperity and competitiveness of our country.” To Gref and Belousov, the Russian economy seems as ill as Russian society seems to Piotrovsky. All three, it bears mentioning, are very much part of the ruling elite, a class that retains significant power and privilege, even if its members’ ability...
to enjoy their wealth outside Russia has been severely curtailed by sanctions.

**Diminishing Returns**

Pendular unpredictability—the uncertainty of how far and how fast the pendulum will swing, combined with the knowledge that there are two directions of motion—has given way in Russia to escalatory unpredictability: the uncertainty of how far and how fast the system will go, combined with the knowledge that there is only one direction of motion. The maintenance of charismatic legitimacy, in Max Weber’s formulation, demands a bulwark against routinization. The charismatic leader must demonstrate that his power neither diminishes nor stagnates, and so Putin—and all those with a stake in the maintenance of Russia’s current system—can be expected to push through boundary after boundary.

Some of these acts will seem absurd, such as the order to destroy banned food imports that has led to dozens of YouTube videos showing bulldozers flattening wheels of cheese. Others, such as a May 2015 law allowing the government to ban and prosecute “undesirable organizations,” or a June 2014 law requiring all holders of dual citizenship to register with the authorities, are more ominous. But so long as overt cognitive dissonance is avoided, these boundaries will be willingly crossed by those for whom the ideology of threat holds value, for whom it alleviates the pain of economic and political sacrifice, and justifies their rallying around the flag in time of war.

The crucial question, then, is for whom—particularly among the elite—the ideology of threat holds value, and what degree of sacrifice they find tolerable. When the direction of political motion was ambivalent—since the pendulum could and did swing in either direction for most of Putin’s rule—elites and masses alike could reasonably be persuaded to wait and see. But with a set and immutable direction of motion, the question Belousov, Gref, and others are effectively asking is not whether things will get worse, but how quickly.

Useful here is a concept that economists and financial analysts call the “time value of money,” by which they mean that a dollar today is usually worth more than a dollar tomorrow. The reason is risk. Things may happen that will make tomorrow’s dollar less valuable than today’s—predictable things such as price inflation, for example, and unpredictable things such as the failure of the bank holding my dollar. A reasonable estimate of these predictable and unpredictable risks forms the discount rate that is applied to any prospective investment: The present value of an investment is the amount of money put in, plus the expected return, minus the expected risk in the form of the discount rate.

There is, I would argue, a similar calculation made by the political and economic elite in a system such as Russia’s that we might refer to as the “time value of power.” In the face of sanctions, a more rigid hierarchy, and the strictures of ideology, the present cost of the investment Russia’s elites are being asked to make is growing while the future returns look to be diminishing. In part, whether that investment is worthwhile depends on the alternative, a prospect that is deeply, fundamentally uncertain. But it also depends on the discount rate applied to the future of Russia’s current political arrangement. The greater the certainty of risk, the higher the discount rate will be. And the higher the discount rate, the lower the return. At a certain point, when the expected risks are high enough, the expected returns on power will be no greater than what might be expected even from a highly uncertain alternative. Exactly when that moment will arrive is, perhaps, the last bit of ambiguity left in Russian politics.