

Uplink 31

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The Euromaidan Issue

Introduction

This issue of *Uplink* contains only one essay for your reading pleasure – but it's a barnburner, in more ways than you can imagine.

I'm a long-time fan of Russia's extraordinarily dynamic digital media and hip hop music cultures. I have the greatest love for the Russian people, the most profound respect for its great novels and poets, and a lifelong appreciation for its science-fiction and fantasy literature. I also have a deep philosophical affinity for its catastrophe-laden history, which is freighted with such devastating sorrow, and yet illuminated by the most astounding heroism.

However, this essay guarantees that I will be denied entry to the Russian Federation until 2024.

In 2014, Russia's ruling elites have, for a variety of historical reasons, chosen the path of authoritarian regression, whereas their neighbor, Ukraine, chose the path of democratic self-transformation.

At this moment, there are seventy-five thousand Russian soldiers at maximum operational readiness along the Russian border with Ukraine and in occupied Crimea.

I cannot adequately express in words how dangerous this situation is.

It is time to put the guns away.

Both Russia and Ukraine have suffered enough from centuries of political violence, and from the single most terrible war ever waged on this planet.

Let there be no more battlefields on any Slavic land.

Empire is Eurasia's aching wound, the Maidan is the beginning of the healing.

This essay is dedicated to the peacemakers, the healers, the translators, the singers, the poets, the writers, the teachers, the students, the citizen journalists, the human rights activists, the digital artists, and the ordinary citizens of both Russia and Ukraine. Beneath neoliberalism's Ice Age of repression, the first buds of spring are stirring. May your lands blossom in the sunshine to come!

The Eighteenth Brumaire of Vladimir Putin

In the deepening twilight of neoliberalism, Marx's landmark essay on historical repetition has become timely again. This is not because we have become any more sensitive to Marx's stinging observation that the events and personages of world history occur the first time as tragedy, the second time as farce. Repetition no longer shocks a world inured to the constant reiteration of the same corporate icons and the same brand-names. Indeed, most large-scale advertising campaigns take the greatest delight in openly mocking their previous incarnations: audiences laugh at the carnival dog which chases its own tail, and are more inclined to stay and watch the rest of the show.

This is not to say that Russia's 2014 annexation of the Crimean district of Ukraine is any carnival trick. It is a geopolitical disaster of supreme magnitude. However, this is not because it signifies a return to past Soviet interventions, or to the colonial annexations of Czarist Russia. Nor is it to be ascribed solely to the authoritarian personality of Vladimir Putin, to the rise of a revanchist Russian neo-nationalism, or to the vagaries of Ukraine's 2013-2014 political crisis. The roots of the disaster lie in the fundamental contradictions of the neoliberal era. To understand why this is so, we must first turn to the pages of Marx's *Brumaire*.

1. Rethinking the Second Napoleon

Marx is renowned as a theorist of revolution. Yet he could also be called one of the greatest theorists of counter-revolution. One should not forget that Marx spent most of his adult life in exile, watching revolution after revolution fail. He refused to wallow in defeatism or gloss over these failures, but acknowledged them as the defeats they were, and proceeded to draw the theoretical and practical consequences. Gramsci's famous formula of the optimism of the will and the pessimism of the intellect had its Ur-model in Marx's ringing invocations of revolutionary possibility, and his equally stinging postmortems of political closure.

The model for this dialectic of openness and closure is the distance between Marx and Engels' 1848 *Communist Manifesto*, and Marx's 1852 *Brumaire*. Whereas the former rings with the clarion call that all history is the history of class struggle, the latter tempers this call with the self-critical admonition that human beings do not make history out of whole cloth, nor under circumstances they choose, control, or even fully understand. Every class struggle is haunted, in short, by its past histories.

This insight is especially relevant today, during a moment when the euphoria of the anti-neoliberal uprisings of the 2008-2011 period – the cultural explosion of the digital commons, the

shockwaves of the Arab Spring and the Occupy protests, and the posthaste arrival of the multipolar world-system – has abated. A brief period of revolution and rupture, when even the largest transformations seemed inevitable, has given way to a period of retrenchment and reaction, when even the tiniest political shift seems inconceivable.

As we know, Marx's response to the ebbing of the energies of 1848 was a sharpened focus on the class struggles of industrializing France, and the *Brumaire's* famous analysis of 1850s Bonapartism as the mask of French political revanchism. Yet for all its polemic brilliance, the essay suffers from an unavoidable theoretical omission, due to its historical location in the middle of the 19th century. This omission is the lack of world-systems theory, the collective legacy of the alternative and underground Marxisms (especially those of the Frankfurt School), the radical sociologists and cultural critics, and the radical anti-colonial and postcolonial thinkers of the 20th century. The single most powerful insight of world-systems theory is the radical unevenness of the development of capitalism across the globe.

This asynchronicity includes the uneven development of national markets, national governments, national political systems, and national linguistic and media cultures vis-a-vis their respective national peers. It includes the uneven expansion of competing maritime and territorial imperialisms, structures of imperial governance, ideologies and identity-politics of empire. It also includes the uneven spread of chattel slavery, plantation colonialism, and settler colonialism as overlapping (and often mutually antagonistic) economic, political, and cultural subsystems within the larger capitalist world-system. Last but not least, it encompasses the radical unevenness of geopolitical location, namely the structural contradictions between fully industrialized capitalist core economies, partly-industrialized semi-peripheral economies, and lightly-industrialized peripheral economies.

What the *Brumaire* lacks, in short, are structural comparisons between France and its most powerful peer competitors: then-hegemonic Great Britain, the antebellum United States, and the Empire of Prussia. Marx could not have analyzed those competitors for the simple reason that he did not yet have a theory of 19th century liberal-national capitalism at his disposal. This would be the singular achievement of the first version of *Capital*, published in German in 1867, the text on which all future world-systems theorists would base their work.

Lacking such a theory, Marx transformed necessity into invention. Where the *Manifesto* portrayed revolution as the ultimate act of Promethean self-making, the final drama between a borderless capital and a landless proletariat, the *Brumaire* complicates this story, by confronting us not just with two Napoleons – the first Napoleon and his nephew, Napoleon III – but also two revolutions. The first is the revolution of capital. The second is the revolution of the proletariat. In Marx's ringing cadences:

Bourgeois [capitalist] revolutions, like those of the 18th century, storm more quickly from success to success, their dramatic effects outdoing each other, human beings and things seem set in sparkling diamonds, ecstasy is the Spirit [Geist] of each day; but they are short-lived, soon they have reached their zenith, and an extended hangover takes hold of society before it properly learns to appropriate the results of its period of storm and stress. In contrast, proletarian revolutions, like those of the 19th century, constantly criticize themselves, continuously interrupt themselves in their own course, come back to what was seemingly perfected, in order to begin again from anew, scorning with cruel thoroughness the half-measures, the weaknesses, and the

pitifulness of their first attempts, appearing to defeat their opponent, only so that the latter draws new energy from the ground and confronts them as even more gigantic than before, constantly shrinking back anew from the indeterminate monstrosity of their own goals, until a situation is reached, which makes any reversal impossible, and the conditions themselves call out: here is the rose, herewith dance!¹

The first revolution wishes to change the external appearance of everything in the system, and thereby ensure that nothing systemic actually changes. The second wishes to change the smallest of social relations, and thereby change everything. In 1775 and in 1792, capital's national-liberal revolutions fought against nobile privilege and absolutist tyranny, and for universal human rights and constitutional governance – but subsequently limited those rights and governance to a small group of property-owning white males. Money-making and land-grabbing came first, while freeing the slaves, enlarging the franchise, and paying workers decent wages could wait.

By contrast, the revolution of the liberal-era proletariat demanded the expansion of basic human rights to all members of society. It is worth remembering just how long it took to achieve the goals of this first proletarian revolution, just within the borders of the United States. The definitive abolition of US slavery, universal suffrage for adult women, and the full rights of African Americans to vote were only achieved after 82 years, 137 years and 183 years of formal US independence, respectively. In like manner, generations of struggle preceded the establishment of the most basic institutions of democratic governance in other nations, e.g. India in 1947, Brazil in 1984, and Indonesia in 1998.²

Today we can complete Marx's thought, by applying the insights of world-system theory to mid-19th century France. From the perspective of the latter, Napoleon III was not merely a false copy of the original Emperor. He was the counterfeit Ulysses T. Grant. Grant was a genuinely talented administrator who forged the sinews of the US Empire firstly via his wartime leadership, secondly via his two-term Presidency, and lastly via the publication of his autobiography, one of the most successful media campaigns of its time.

As the commander of the Union armies, Grant pioneered the use of total industrial mobilization in warfare. This included the use of railroads to ship troops and supplies, the deliberate destruction of the South's granaries and factories, and the use of the telegraph, the most advanced communications technology of its day, to coordinate logistics and communication. As President, he oversaw the triumph of the North's industrial capitalism over the South's agrarian plantocracy, the accelerated colonization of the American west, and that era of stupendous industrial growth and equally stupendous corruption otherwise known as the Gilded Age. By the end of Grant's second term, the United States had surpassed Britain to become the largest single national economy on the planet. Last but not least, Grant almost single-handedly founded the genre of the best-selling national autobiography, anticipating the Hollywood biopic by decades.

By contrast, Napoleon III remained a petty political adventurer from his first farcical attempts to seize power until his final abdication. In the history-books, the main achievements of Napoleon III's rule are cited as the construction of Haussmann's boulevards, the expansion of the French Empire in North Africa, West Africa and Indochina, the rapid growth of France's railroads and merchant marine, and the construction of the Suez Canal.

Yet the Emperor's personal contribution to these achievements was minimal. The

boulevards were a tactical tool to neutralize the Parisian barricades, the revenues from France's scattered overseas colonies could never come close to matching the vast revenue stream generated by Britain's world-spanning empire, and the California gold rush and British industrial expansion did more to aid France's economy than any domestic policy initiative. In point of fact, France grew more slowly under Napoleon III than Germany or Britain, and significantly less than the United States.³

That said, Napoleon III did have one true innovation to his credit. This innovation was not economic or managerial, but political. He ruled through a series of heavily advertised plebiscites, which generated enormous – and genuine – electoral majorities validating his autocratic rule. These plebiscites were the template for the imperial populisms of the late 19th century and the early 20th century, especially those which ran riot in the partly-industrialized semi-peripheries of that era (Iberia, Central Europe, Eastern Europe, South America and Japan). Napoleon III was a master of recombining the plebian rhetoric of US, Dutch, and Belgian settler colonialism with the absolutist land-expansionism of the Prussian, Romanov, Hapsburg and Qing dynasties. This recombination is visible in all aspects of Napoleon III's rule, from the rump parliament which was no longer a den of courtiers but not quite a loyal opposition, to the complex system of political favors and economic restrictions which kept the printed opinions of the mainstream French press within a narrow bound of orthodoxy.

What made the whole system work was the magic talisman “Bonaparte”. The small-holding French peasants, the vast majority of the French population, had been emancipated from the worst excesses of nobilitarian rule by the Revolution, but were anxious to keep their patriarchal landholdings safe from speculators and industrialists. The second Napoleon guaranteed the inviolability of their landholdings, substituting the brass horns of domestic property rights for the trumpets of foreign military conquest. In gratitude, the French peasantry worshipped the second Bonaparte with well-nigh religious fervor. Napoleon III remained enormously popular until the very end of his reign, winning his final plebiscite on May 8, 1870 by 7.5 million to 1.5 million votes (an 83% approval rating).

Among the bourgeois intellectuals, Victor Hugo is to be credited for seeing through the crafty rogue the earliest and most completely. By the same token, Hugo mistakenly blamed Napoleon III for falling prey to the temptation of absolute power, rather than asking why mid-19th century French capitalism found it necessary to resort to such a conniving mediocrity to safeguard its rule. For their part, the peasantry found the very mediocrity of their Emperor-elect infinitely appealing. He was no nobilitarian milksop, he was the man of action – he was *one of us*, as Conrad wrote from the heart of another empire.

Yet Napoleon III's supreme mastery of a transitional period of French domestic politics – the epoch of schemers and swindlers, of lumpenproletarians dreaming of officer's epaulettes, of peasant farmers dreaming of land-empires, and of urban financiers dreaming of exotic imperial surpluses – was also his downfall. He remained a complete ignoramus in world affairs. The extraordinary success of his political machine at quashing all dissent rendered him unaware of the industrial potential being amassed by the Prussian Empire, and equally unaware of the transformation of war into an industrial enterprise. When domestic criticism and internal discontent began to increase during the final years of his reign, he responded with increasingly riskier and thoughtless intrigues. Back in 1856, Napoleon III was still acutely aware of his political vulnerability, and thus took care to ally himself with the British hegemon in Crimea,

thereby sharing in the spoils of Britain's victory over Czarist Russia. By contrast, his later imperial intrigues became increasingly arbitrary and reckless. After the disastrous failed intervention in Mexico in 1867, came the scattershot attempts to expand the French Empire to Korea and Japan, and finally the adventurist war of 1870 which ended in his complete political ruin. If Napoleon III aspired to be France's Ulysses T. Grant, he succeeded only in being the Francophone Jefferson Davis.

2. Russian Neoliberalism: From One-Party Autocracy to Oligarchic Plunder

Let us turn now to another semi-periphery of the world-system, namely Russia. There is a famous Russian saying about the Soviet Union which acknowledges the complex legacies of Stalinist industrialization, WW II, and the post-Stalinist one-party state. The saying goes: anyone who doesn't miss the Soviet Union has no heart, but anyone who wants to restore the Soviet Union has no brain. The paradox is that during its first four decades, the autarkic industrialization model adopted by the Soviet Union enabled it to grow faster than many other industrializing nations, to defeat Nazi Germany in an apocalyptic war, and to deliver mass education, urbanization, and some degree of genuine opportunity to its citizens. To be sure, it paid an appalling price for these achievements – mass famines and the gulag archipelago during the period of initial industrialization, and endemic corruption, environmental degradation, and low productivity thereafter.

By the late 1970s, however, it became clear that the institutional costs of the Soviet one-party state had begun to outweigh its benefits. First, the strategy of economic autarky made it impossible for Soviet factories to match the dynamism of globally-connected foreign competitors over the long run. Second, the single most defining social structure of Soviet society – the “nomenklatura”, a vast, hierarchical bureaucracy which generated massive insider corruption and blocked all democratic accountability – could no longer manage the simmering conflicts of what had become a highly literate, industrialized and urbanized society.

One of the most complex and deep-seated of those conflicts was national identity. One of the deepest ironies of the Soviet system was that it helped to produce the national identities which ultimately tore it apart, by transforming the ethno-linguistic regions of the Czarist Empire into national-administrative republics. The nomenklatura could manage the conflicts between competing groups of peasants, but it could not resolve the conflicts between competing national identities, and consequently dissolved completely in 1990-1991.

Almost overnight, the Soviet republics transformed themselves into independent nation-states, while the largest Soviet ethnicities turned into nationalities. At the same time, well-placed members of the nomenklatura turned into national oligarchs – a gangster-bourgeoisie halfway between the former Soviet elites and late 20th century-style financial speculators. This new class of rulers operated on the principles of what Russian critic Boris Kagarlitsky famously diagnosed as “market Stalinism”, a.k.a. the privatization of the most lucrative assets of the Soviet state through fraud, deceit or outright violence.

While the oligarchs become fantastically wealthy, almost everyone else lost out. Between 1990 and 1996, Russian economic output fell by about forty percent, the biggest peace-time

economic collapse of a major economy since the Great Depression of the 1930s. The gangster-bourgeoisie excelled at plundering state assets, but were generally incompetent at managing actual businesses.⁴ This economic collapse ignited violent separatist movements within many of the post-Soviet states, ranging from a full-fledged civil war in Tajikistan to a brutal civil war inside the Russian district of Chechnya.

3. Plutocracy á la russe: Rise of the Siloviki State

In 1998, an ailing President Yeltsin appointed a little-known security staffer named Vladimir Putin as Prime Minister. The secret of Putin's subsequent success is remarkably simple, and has almost nothing to do with his personal qualifications (previous prime ministers were equally competent managers). He was hired at the moment when Russia's oligarchs realized they could no longer plunder the country at will, but required a wealth manager to safeguard their assets.

The economic crisis of 1998, when Russia defaulted on its foreign debt, taught the oligarchs that if they did not restore the stability of the Russian state, they were in danger of losing everything they had acquired. What made the restoration of the state such a priority was that the long-term legacies of Soviet rule, combined with the devastating effects of the 1990s economic collapse, had left Russia with only two functional centers of power (ironically, this chimes with the restored national symbol of the post-Soviet Russian state, the two-headed eagle).

The first center was comprised of the intelligence, security, and military professionals of the Russian state, the so-called "siloviki".⁵ The second center of power was, of course, the oligarchy itself. It is worth emphasizing that the oligarchs had done more damage than simply privatizing Russia's economy and allowing its industrial base to wither. They had also suborned, hollowed out, or corrupted Russia's nascent democratic institutions. Various oligarchs gobbled up the bulk of Russia's newspapers, magazines, and radio and television stations, and waged furious media wars against each other. Ultimately, they transformed the Yeltsin Presidency into a carnival of rigged auctions, sleazy insider deals, and blatant ripoffs.

In 1998, the bill finally came due for eight years of untrammelled plunder. The economy was in free fall, ethnic separatism threatened to tear Russia apart, and the most basic institutions of the state were at risk. In response, the oligarchs turned to the siloviki.

The result was a pragmatic class compromise between the siloviki and the oligarchs. The oligarchs were acknowledged to be the undisputed masters of the Russian economy, while the siloviki were acknowledged to be the undisputed masters of the Russian polity. Each side agreed to respect the other's sovereignty.⁶ The national oligarchs would keep most of what they had stolen, and their businesses would remain mostly untaxed and unregulated. The only catch was that the siloviki would exert monopoly control over one sector of the economy: Russia's energy resources. The energy-rents of those resources would be devoted to rebuilding the Russian state.

Since Putin and the siloviki were primarily military and security functionaries, they viewed national strength in the crudest terms imaginable: as the coercive power of a military-style hierarchy, and as the equally crude determinism of demographics. To the siloviki, population plus energy-rents was power. In order to increase that population and to wield those energy-rents, the siloviki invented the ideology which sociologists dubbed "Putinism".

Between 2000 and 2003, Putinism took back the majority of Russia's energy-rents, by

selectively adopting the oligarchy's own earlier techniques of primitive accumulation, a.k.a. looting. Where the oligarchs grew rich through rigged auctions, insider bids by limited partners, the selective deployment of hired thugs, and the baying cacophony of the oligarch-owned mass media, Putinism took back Russia's energy-rents through rigged investigations, insider bids by offshore companies, the selective deployment of state police, and the baying hyper-nationalism of the state-owned mass media. Men in black masks wielding machine guns and state badges would burst into an oligarch's mansion or corporate headquarters, state prosecutors would launch highly publicized investigations, and state-owned television stations would selectively leak juicy details of the bogus privatizations of the 1990s. The tragedy of Stalinism's show trials, which liquidated party members for a legion of utterly fictitious crimes, acceded to the farce of Putinism's show trials, which arrested or exiled irredentist oligarchs (most famously, Khodorkovsky and Berezovsky) for a host of completely genuine economic crimes – but whose only real offense, of course, was their unwillingness to play by the new, post-1998 rules of the game.

To everyone's surprise, the siloviki strategy turned out to be an overwhelming success. This success had nothing to do with the siloviki's capacity to effectively manage the Russian economy, but rested on the global rise in commodity prices after 1998. According to the EIA, the average price of oil per barrel rose from \$17.27 in 1999 to \$92.57 in 2008. Even after adjusting for inflation, this was a four-fold increase over ten years. While prices fell sharply in 2009 to \$59.04, they quickly recovered and reached \$102.65 in 2011. Since then, prices stabilized at roughly one hundred dollars per barrel.⁷

This price increase generated a tidal influx of money into the coffers of the Russian state. According to Russia's statistical service, the share of energy as a percent of all Russian exports rose from 53.8% in 2000 to 64.8% in 2005, and increased slightly thereafter to 70% in 2012. All told, Russia earned \$3.2 trillion in total energy-rents during this time period. About \$500 billion of this massive revenue stream was saved in the form of foreign exchange reserves, while a small portion was used to pay down Russia's state-owned foreign debt (roughly \$50 billion).

In theory, this meant that the total revenue available to the siloviki for domestic investment was \$2.65 trillion, or 17% of Russia's economic output, as aggregated over 15 years. In reality, the costs of energy exploration, extraction, refining and transportation meant that the final total was somewhat less. According to calculations by T. Tischenko, an analyst with the Gaidar Institute, the state's oil and gas revenues amounted to 10% of Russia's GDP during 2012 and 2013, or roughly \$201 billion.⁸ Given Russia's small GDP in 1999, it is safe to assume that energy-rents financed at least 15% of Russia's GDP during the first decades of the 21st century, before falling to their current level of 10%.

These funds were utilized by the siloviki to spark an economic boom. Economic growth accelerated, wages and pensions were raised by administrative decree, infrastructure projects were announced, families were encouraged to have children via financial incentives, business investment increased, and overall living standards began to rise. Measured at market exchange rates, Russia's GDP skyrocketed from \$200 billion in 1999 to slightly more than \$2 trillion in 2013. At the zenith of Putinism in 2012, Russian per capita incomes were three and a half times higher than those of energy-poor Ukraine, and significantly higher than most of the other post-Soviet states. To ordinary Russians who had lived through the grinding poverty and misery of the 1990s, this cornucopia of prosperity seemed like a fairy-tale come true. Putin had seemingly

single-handedly resurrected Russia as a successful economy and a great power, and the Russian electorate rewarded Putinism with some of the highest poll ratings of any elected government, averaging sixty percent approval from 2000 until today.

4. The Economic Contradictions of Petro-Neoliberalism

However, the short-term success of Putinism, a.k.a. Russian petro-neoliberalism, generated two significant long-term costs. The first of these costs was economic, and the second was political. Unbeknownst to ordinary Russians, and without the knowledge of even the sharpest-eyed silovik, both costs were compounding over time. The year 2014 marked the moment when the weight of these costs exploded into open political crisis, in the form of the collapse of Russia's proxy regime in Ukraine.

The economic cost can be summarized in a single phrase: Russia is an energy whale, but an industrial minnow. True to their side of the class bargain, the siloviki deployed Russia's energy-rents to rebuild the Russian state. However, in all other respects they followed the strictest neoliberal economic orthodoxy. First, they refrained from running budget deficits (without its energy-rents, Russia would currently be running an annual budget deficit of 10% of GDP). Second, the siloviki also refrained from taxing or regulating the financial behavior of Russia's oligarchs-turned-plutocrats in any significant way. Russia's federal income taxes are pegged at a highly regressive flat rate of 13%, enabling the plutocrats to keep nearly all their income.

For their part, the plutocrats continued to move vast amounts of capital out of the country. Russian capital flight amounted to \$62.7 billion in 2013, and \$420 billion in the period since 2008.⁹ This vast capital flight is not a bug in the flawless logic of Putinism. It is its primary feature. One of the most counterintuitive aspects of Putinism is that while the siloviki could buy domestic political support by subsidizing wages, pensions and other forms of social spending, they could never effectively invest energy-rents in the industrial economy. To do so, they would have violated the remit of Russia's plutocrats to run the economy as they saw fit.

One of the telltale signs of the siloviki state's inability to “sow the oil”, to borrow a phrase from Venezuela's social movements, is the stagnation of the civilian and social functions of the Russian state. Currently, Russia's federal state budget is 20% of its GDP. This is a remarkably low level of state intermediation in the economy, especially when compared to the average European nation-state, where the intermediation rate is typically 45% to 48% of GDP (the US rate is about 30% of GDP).

Putinism conspicuously overdeveloped the least productive aspects of the Russian state – law enforcement, the state media, and the military-industrial complex comprise 32% of the 2013 federal budget. Meanwhile, total spending on environmental spending, education, physical culture/sports, and industrial policy amounts to a miniscule 3% of the budget.¹⁰ This selective investment in the coercive rather than social aspects of the state is confirmed by Russia's extraordinarily high incarceration rates. In 2013, Russia's incarceration rate was 484 per 100,000 in 2013, one of the highest in the world, while the rates for neighboring Ukraine and Kazakhstan were 311 and 295, respectively.¹¹ In like manner, Russia's official military budget was 3.1% of its GDP in 2012, while the Ukraine and Kazakhstan spent slightly less than 1% of GDP on their respective militaries. In reality, the total of all Russian military-related spending, including

domestic security agencies and military pensions, amounted to a hefty 4.6% of GDP.¹²

In the past, the sheer size of Russia's energy-rents meant Putinism could effortlessly finance this machinery of state coercion while allowing the plutocrats to do as they pleased. Since the world economic crisis of 2008, however, this strategy has run aground on a number of levels.

First and foremost, the world commodities boom has come to an end. Growth in the US is limited by excessive social polarization and high levels of consumer debt, while the European Union is in the grip of deflation thanks to its poorly-designed common currency. China, one of the world's largest commodities importers, is beginning to shift away from energy-intensive industries and towards service-sector and high-technology industries. To protect its energy sovereignty, China has been careful to rely primarily on domestic coal, i.e. imported oil and natural gas provide less than a quarter of its total energy needs. China is also investing significant sums into renewable energy. This means that over the long term, Chinese demand will never fully replace the European Union as Russia's largest market for energy exports (Europe currently imports one-quarter of its oil and gas from Russia). One of the clearest signs of the end of the commodities boom is the marked post-2008 slowdown in Russia's growth rates:

Table 1. Russia's GDP Expansion and Deceleration, 2000-2013.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.3%	5.0%	4.2%	7.3%	6.7%	6.4%	6.7%	8.1%	5.6%	-7.9%	4.5%	4.3%	3.4%	1.3%

This slowdown is even more apparent when adjusted for demography. Russia's population decreased from 146.3 million in 2000 to 141.9 million in 2009, and rose slightly thereafter. In terms of per capita annual growth, the most accurate measure of productivity in any economy, the growth phase of 2000-2008 looks even more impressive. Conversely, growth since then is positively anemic:

Table 2. Russia's GDP Deceleration, Adjusted for Annual Demographic Change, 2000-2013.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.3%	5.3%	4.6%	7.8%	7.3%	6.8%	7.2%	8.1%	5.7%	-7.8%	4.2%	3.9%	3.3%	1.2%

The end of the commodities boom is also apparent in the sharp fall in Russia's current account surplus from 11% of GDP in 2005, to 3.5% in 2012 (World Bank data). The most recent data suggests the current account surplus for 2013 shrank to \$34 billion, about 1.7% of GDP. While it is true that part of the current account shrinkage is due to increased Russian demand for imported consumer goods, as Putinism redistributed a small portion of its total energy-rent into domestic wages and pensions, the deeper reason is the underlying stagnation of Russia's non-extractive economy.

Let us recall that Russia's total energy-rents in 2013 were \$414 billion. Given that \$201

billion was spent on budget subsidies, this means that the total cost of the state's energy complex (drilling, extraction, transportation and refining) amounted to \$213 billion, or roughly 10.5% of GDP. However, those costs will rise sharply in the future, due to the fact that Russia has large numbers of mature oil fields which will require increasing inputs of capital to yield additional oil in the future. In addition, future oil fields are located in extremely challenging terrain – primarily in the Far East and the Far North, where the costs of transportation and extraction are much higher.

One of the telltale signs of rising extraction costs is the dramatic increase in Russia's corporate debt. While Russia's state budget has avoided running deficits, Russia's corporate debt exploded from \$464 billion at the beginning of 2008 to \$636 billion by the end of 2012. By January 2014, Russian corporate debt reached \$732 billion. The majority of this debt is owed by Russia's state-owned energy companies.¹³

Russia's state-owned energy companies must import expensive imported technology for one simple reason. This is the inability of all sectors of the Russian economy, whether plutocrat-owned or state-owned, to generate such technology itself. Despite Russia's extraordinarily well-educated population, world-class scientists, large numbers of university students, and a nominal per capita GDP of roughly \$14,000, the Russian economy remains dependent on a narrow range of extractive industries. This dependency is most apparent in the production of machine tools, the machines which produce all other machines in any contemporary economy. Currently, the Russian machine tools industry ranks 21st in the world.¹⁴ It is by far the smallest industry of all the BRIC nations:

Table 3. Machine Tools Production and Trade Dependence 2012, BRIC Nations.

Country	Per Capita GDP 2012 (World Bank)	Domestic Machine Tools Production	Trade Dependence (Exports Minus Imports)
China	\$6,091	\$8.74 billion	-\$7.49 billion
India	\$1,489	\$658 million	-\$783 million
Brazil	\$11,340	\$420 million	-\$1.25 billion
Russia	\$14,037	\$211 million	-\$1.5 billion

Russia's position looks even less impressive when compared to other middle-income nations. The Russian machine tools industry is only 30% of the size of Turkey's industry, and only 56% the size of Mexico's. Making matters still worse, the Russian industry is highly dependent on military orders from the state. While Russia's aerospace sector has world-class engineers and scientists – the Sukhoi T50 is aerodynamically competitive vis-a-vis the fifth-generation fighter aircraft designs of the US and EU, though Russia continues to lag in avionics and pilot training – the small-lot, high-cost nature of high-technology armament production offers few spin-off benefits to the civilian economy.¹⁵

5. From the Phantom State to the Phantom Empire

We noted previously that the second long-term cost of Putinism was not directly economic, but rather political. This was the price tag of permitting the siloviki to have free rein over Russia's political system, unimpeded by any other agency or collective authority. It is true that this neo-absolutist power enabled Putinism to quickly and decisively mobilize energy-rents from 2000 to 2003. Yet this neo-absolute power was absolutely corrupting, and generated a self-destructive politics of energy-rent patrimonialism.¹⁶

The central paradox of Putinism is that the more political power the siloviki acquired, the less they were able to function as competent technocratic managers of the economy. To do so would have meant long-term strategic planning instead of short-term opportunism, and a greatly expanded public sector instead of military-industrial prestige projects. Most of all, effective economic management would have required strict regulations on Russia's plutocrats. This would have violated the basic class compromise of Putinism, which was to leave the economic power of Russia's plutocratic elites untouched.

Instead of constructing a developmental state, the siloviki constructed what Vladislav Inozemtsev has insightfully described as Putinism's phantom state.¹⁷ This state speaks the grandiose rhetoric of long-term national development, while practicing the most short-sighted and plutocratic forms of rent-seeking and insider extractivism. Its central ideological paradox was that its unmitigated power – the nearly complete lack of democratic accountability on the highest levels of the executive branch of government – was also its irreparable weakness. Energy-rent patrimonialism transformed the politics of the phantom state into an endless battle against a mortal foe which it could dimly sense, but never fully vanquish or even properly identify. This foe was itself. Each state-owned enterprise, each state energy company, and each sector of the state bureaucracy competed for financial patronage from the center, very much as an earlier generation of Soviet industrial magnates constantly schemed to access resources from Gosplan. Putin himself, as the apex of vertical power, functioned as the indispensable arbiter who adjudicated between bickering siloviki factions – compromising where possible, enforcing where necessary.

Over time, this energy-rent patrimonialism generated its own characteristic political expression. To coin a phrase, Putinism's phantom state generated a phantom empire.¹⁸ The most striking expression of this phantom empire is the symbolic world constructed by Russia's state-owned media. The state media is tightly controlled by the Russian Presidency, and accountable to no other authority in the country. It is worth pointing out that Russia's federal budget devotes 0.5% of GDP to operate the state-owned mass media – an astonishing \$20 billion per annum. By comparison, Russia's federal spending on education is only \$2 billion per year.¹⁹

Thanks to this vast pool of money, Putinism created a slick, comprehensive, and state-of-the-art media machine to legitimate its rule. Beginning in 2005, Putinism also invested heavily in foreign-language programming, in the form of Russia Today and other state-run digital media outlets in English, Arabic and Spanish. This media machine always had a narrowly utilitarian function, in the sense that it was used to steer the results of Russia's Presidential and Parliamentary elections, and to present the Russian state's viewpoint to foreign audiences. Yet its most important role was to foster a permanent and structural transformation of Russia's national identity.

The phantom empire was not simply an empire of oil-rents. It was also an empire of the

imagination. This, too, is not without historical precedent. In the 1850s, Napoleon III became sensationally popular to a generation of French peasants who were no longer feudal land-tenants, but not quite commercial farmers. In him, they saw the everyday Emperor, an elected monarch who was just like them, and yet nothing like them. Where the reign of Louis XIV is identified with the (most likely apocryphal) bon mot “l'etat, c'est moi” [*I am the state*], Napoleon III's pitch to the electorate was “Bonaparte, c'est toi” [*You are Bonaparte*]. Bonapartism was peasant cunning in epaulettes, a financialized land-populism backed by the gold coin of empire.

In like manner, the Putin of the 2000s became wildly popular to an entire generation of Russians who were no longer subjects of the one-party state, but not yet ethno-linguistic national citizens. In Putin, they saw the everyday General Secretary, the elected CEO who was just like them, and yet nothing like them. France's Bonapartism was the Ur-form of Russia's Putinism, and the political alliance between provincial land-rents and urban land-speculators in the former anticipates the political alliance of the provincial energy-rents and plutocratic speculators of the latter.

What is unquestionably real about Putinism's phantom empire, however, is the manner in which it was lived by ordinary Russians. Putinism was no mere shift of political rhetoric. It embodied a massive social and political transformation of Russian society.

The secret of this transformation is contained in Putin's televised annual press conferences as head of state. Similar to Napoleon III, Putin is an extraordinarily effective media communicator within the narrow confines of post-Soviet Russia (also similar to Napoleon III, the flip side of this mastery of domestic politics is catastrophic ignorance of any other national political sphere, a point we will return to somewhat later). Putin electrified Russian audiences by fusing the stilted, ossified jargon of the Brezhnev-era nomenklatura with the bombastic, larger-than-life nationalism of the Yeltsin era. The result is what can be termed a pragmatic bombasticism, which legitimated a reactionary plutocratic state order in the garb of a superficially revolutionary, media-savvy populism. Where Brezhnev droned on for hours before Soviet elites, reciting hoary party dogmas and largely fictitious statistics, Putin conducted three-hour press conferences in front of nationally televised audiences, answering a barrage of (heavily scripted, to be sure) questions with pragmatic, pointed, and reasonably fact-checked answers.

This explains why the logical end-product of Putinism, the national ideology of aggrandized energy-rents, could be nothing other than an aggrandizing nationalism: the phantom empire culminates in a phantom imperialism. The most spectacular expression of this dialectic was the vast gulf between the opening and closing ceremonies of the 2014 Sochi Olympics. The opening ceremony portrayed the phantom empire's aspirations, from a Slavic village painted with the incongruous modernisms of Chagall and Kandinsky, to the ballroom dances and popgun frontier wars of the Czarist era, all the way to the Red Train of Stalinist industrialization. Next came the stilyagi dance numbers of Khrushchev's Thaw and the Brezhnev era, and finally the red balloon of revolution which escapes from the little girl's grasp. While the result was a scrupulously sanitized view of the past, it did at least acknowledge the pressing weight of Russian history on the present.²⁰

Yet history is precisely what was absent from the closing ceremony. Instead of historical aspirations, the phantom empire offered audiences a buffet of imperial realisms: the Russian army, the Russian circus, the Russian ballet, Russian writers (their words neutralized by the conversion of the authors into reality TV stars surrounded by adoring fans), and finally Russian

animatronic mascots.

Unlike its predecessor, the 1980 Moscow Olympics, that bittersweet swan song of the Brezhnev era of stagnation, the Sochi Olympics left its audience with no lingering ambivalences. There was no touching folk-song symbolizing the goodwill of the Russian people, no outsize Misha bear to float into the heavens and subtly remind its audience that there was a world beyond the reach of the one-party state. The closing ceremony of Sochi 2014 did not celebrate the openness of journeys to come, but proclaimed the permanence of imperial enclosure. If the opening ceremony at least acknowledged what Russians had once dreamed of becoming, the closing revealed what the siloviki have decided Russians are to be forever more: mere human resources, the stockpile of empire.

This revelation is the secret of the final moment, when the human child performers were abruptly sidelined by larger-than-life animatronics. The streamlined countenance of the main mascot is the purest expression of Putinism's phantom state imaginable. The mascot may look like a child's toy, but its heart is an oil pump. Even its saccharine-plastic tear of farewell was reminiscent of nothing so much as the extrusion of liquid hydrocarbons from a pipeline. In its giant limbs, the fiction of a united, benevolent "Rossiya" comes to remote-controlled life, much as the fiction of Bonapartism once steered the French body politic. This mascot is not the Misha who gives, but the Monokuma who takes.²¹

6. From Phantom Empire to Phantom Imperialism

To paraphrase the *Brumaire*, from 1987 until 2012 only the ghost of the original 1917 Russian revolution circulated, from Gorbachev's empty platitudes to Yeltsin's brusque nationalism, down to the current emperor-elect who hides his trivial features behind the death mask of Lenin. Now a whole nation which thought it had permanent access to transnational consumer goods by means of bountiful energy-rents, suddenly finds itself thrust back into a misogynistic, homophobic, thuggish nationalism, and to remove any doubt about the relapse, all the old symptoms of a decadent Czarism reappear once more – the repulsive Slavophilisms, the disgusting ethnic antagonisms, the paranoid clichés about foreign conspiracies, the revolting spectacle of Cossack thugs beating political dissidents.²²

Ordinary Russians, so long as they were engaged in a revolution against their one-party state, could never get past the memory of Lenin, as the 2012 election proved. They longed to return from the existential uncertainties of anti-neoliberal struggle and critical thinking to state-guaranteed pensions and paid vacations in the Crimea. On February 27, 2014, their emperor-elect gave them their wish. In a military aggression as naked and unjustified as the feverish neoconservative fantasies of the *Call of Duty* franchise, tens of thousands of masked Russian soldiers swept over Crimea. The Union of Soviet Socialist Republics is dead, long live the Russia of Slavonic Siloviki Unity!

This annexation had been gestating for some time. When Putin announced his plan to run for President in 2011, the first spontaneous mass protests in Russia's post-Soviet history broke out in Moscow. Simply, Putinism had begun to run aground on its own accumulated economic and political contradictions in late 2010 and early 2011. Lacking additional energy-rents to buy off the populace, the siloviki played the only card they had left. They appealed to the values of open revanchism, whipping up Russo-imperialist nationalism. The state media branded the

protesters as anti-patriotic hooligans, Putinism's rump parliament adopted draconian laws against free speech and public assembly in the name of public safety, and state prosecutors criminalized the few internet outlets still openly critical of the regime as a mortal threat to national unity. The first conquest of the phantom empire was the muzzling of Russia's independent social movements and citizen journalists.

It was no accident that the next target of the phantom empire was Ukraine. The siloviki had always considered population plus energy-rents to be power. If they could not acquire fresh energy-rents, then they could at least enlarge the number of people under their rule. In the past, Putinism had invested heavily in family allowances as a means of increasing Russian birth rates. Outright annexations of ethnically Russian regions along Russia's borders would be a much quicker solution to the problem.

The only problem with this strategy is that long-term political and demographic shifts were making it increasingly unworkable. During the 1990s and 2000s, large numbers of ethnic Russians had relocated from other Soviet states back to Russia, significantly reducing the demographic weight of Russian minorities. Those who remained were often highly educated, economically successful, and well-integrated into their new homelands. Most saw no reason to seek political affiliation with the Russian polity.²³

Why, then, did Putinism march into Crimea? Strange as it may sound, Ukraine was chosen precisely because it was one of the most Russian of all the post-Soviet states to emerge in 1991, and yet one of the least Russian of all these states. Indeed, it would be difficult to design a more perfect lightning-rod for Putinism's openly revanchist phase than post-2012 Ukraine.

The profound similarities between Ukraine and Russia include centuries of shared imperial history, an intertwined Slavic folk heritage, significant linguistic commonalities, and the presence of large ethnic populations residing within each others' borders (about 17% of Ukrainians were ethnic Russians according to a 2001 census, or about 8 million people, while 1.9 million Ukrainians lived in Russia as of 2010). Ukraine also had a similar legacy of Soviet-era heavy industries, and was ruled by a similar class of thieving plutocrats.

However, Ukraine and Russia did have two crucial differences. Ukraine had no energy-rents of its own. As a result, Ukraine's oligarchs never acquired the immense riches of their Russian counterparts. This meant there could be no Ukrainian equivalent of the siloviki-plutocrat alliance to manage the economy. Instead, Ukraine's elites extracted rents through low-level domestic scams, and by extracting rents from the Soviet-era gas pipelines connecting Russian exporters to lucrative consumer markets in the EU (this was the genesis of the long-running dispute between the Ukrainian oligarchs and Russia's siloviki from 2009 to 2010 over gas transit prices). Indeed, one of Ukrainian President Yanukovich's final decisions in office was to shelve a political association agreement with the EU, and to commit to closer association with Russia. In exchange, Putin agreed to reduce the official price of Russian gas exports to Ukraine, an arrangement which would have allowed Ukraine's oligarchs to permanently skim off billions of dollars of political rent.

The second difference was the legacy of internal Soviet politics. Ukraine was the accidental inheritor of one of the most neuralgic sites of Russia's post-Soviet identity. In 1954, Khrushchev made an administrative decision to award the Crimean peninsula to the then-Soviet republic of Ukraine, despite the fact that the population of Crimea was mostly ethnic Russian. It is unclear what Khrushchev's motivations were, though it is possible it was a form of belated

compensation for Stalinism's 1944 genocidal deportation of the Crimean Tatars (if this deportation had not happened, the current Russian ethnic majority in Crimea might possibly be a slim minority today). In any case, the result was that in 1991 the Crimea became part of the Ukraine instead of Russia.

Ironically, Khrushchev's gift turned out to be an enormous headache for newly independent Ukraine. The Crimean economy had long been underwritten primarily by Soviet military subsidies for the Black Sea Fleet, and by Soviet-era tourist receipts. Both subsidies evaporated, as the bulk of the Soviet military-industrial complex shut down, and as Russian and Ukrainian tourists flocked to low-cost tourist resorts in Bulgaria and Turkey. Almost overnight, Crimea went from a leading showcase of Soviet might – the harbor of Russia's historic Black Sea Fleet, the sacred grounds of the Siege of Sevastopol, where Soviet troops fought the Nazi invaders down to the very last bullet, and a symbol of Brezhnev-era summer idylls – to penury and humiliation. For twenty-two years, Crimea limped by on subsidies from Ukraine's national budget. Understandably, its majority ethnic Russian population were deeply unhappy and nostalgic for the past.

If the legacies of Soviet history and 1990s post-Soviet nationalism provided the political dynamite for the Crimean explosion, the spark was delivered by Ukraine's 2013-2014 political crisis. Bereft of the energy-rents required to construct a repressive siloviki state and to buy off the average Ukrainian voter, the Ukrainian oligarchy invested in a series of presidents who stole more and more from the economy.

Yet what finally derailed this strategy in 2013 was not primarily the boundless corruption of the Yanukovich regime. Nor was it due to the deflationary economic effects generated by Russia's domestic growth slowdown, nor even to the baleful effects of the EU's neoliberal common currency. The economic crisis did mobilize certain sectors of the Ukrainian population, but it also demobilized other sectors. It is worth recalling that Ukraine had endured ten years of economic decline between 1991 to 2000 with almost no signs of mass political discontent.

What changed everything in 2013 – the seismic event which provoked the apoplectic rage of Russia's siloviki and made the blood of Russia's plutocrats run cold – was the posthaste arrival of transnational politics in the post-Soviet region. Simply, Ukraine's post-2008 digital commons invented a new type of anti-neoliberal mass movement in the global semi-periphery. We will examine some of the specific innovations of the Ukrainian revolution towards the end of this essay, including the ways its digital commons borrowed from and refunctioned the innovations of the Arab Spring and Occupy uprisings. For now, it is worth emphasizing the degree to which Putinism's attempt to symbolically and politically crush the Ukrainian revolution – its smear campaign against the protest movement, its open bullying of post-revolutionary Ukraine, and finally the invasion of Crimea – forms the perfect negative index of the rise of Ukraine's digital commons.

By late 2013, Putinism had already unleashed the baying hounds of Russia's state-owned media, slandering the protesters as bandits and hooligans. The smear campaign increased in volume and ferocity as Ukraine's democratic uprising gathered strength, and reached its nightmarish crescendo during the February 2014 revolution.²⁴

Thanks to a combination of nonstop lies, ceaseless defamation, Nazi-baiting, and deafening hurrah-patriotism, Russia's state media convinced a significant majority of ordinary Russian citizens (especially older generations of Russians and less-educated viewers with limited

access to the internet) that latterday Nazis were committing anti-Semitic pogroms and burning Kiev to the ground, and that the intervention of Russian troops was needed to save lives.²⁵ It is worth asking why so many well-educated Russians genuinely believed such outrageous lies, given that massive evidence to the contrary – including testimonials by large numbers of Russian-speaking Ukrainian citizens – was readily available on the internet.

The reason is that the greatest strength of Putinism's phantom state, namely its ability to create a phantom empire of representation for its domestic audience, was also its greatest weakness. It was not merely that this empire was not credible to any other national audience. Simply, Putinism's representations were national speculations not backed by genuine economic wealth or geopolitical power. They were thus susceptible to a complete meltdown, in much the same way that Wall Street's \$14 trillion mountain of securitized debt simply evaporated in 2008. By seizing Crimea, Putinism gambled and thought it had won everything. In reality, Putinism conquered nothing but a figment of its own past – at the cost of losing its future.²⁶

One of the most striking examples of this meltdown is Putinism's post-Sochi Olympics media debacle. Never has a nation gone from receiving such friendly and positive press coverage from so much of the world's media, to receiving such stigmatic and negative coverage, in so short a time. Thinking it had won over the world with its Olympic spectacle, Putinism's phantom empire unleashed its full arsenal of state media technologists and hired pundits on the digital news services and social networks of the world. It succeeded only in completely destroying its own credibility among transnational audiences.

7. Transnational Meltdown

This collapse of credibility was not the result of some NATO plot or a failure of messaging. The biggest blow was delivered by Putin himself, in the form of his March 4, 2014 press conference.²⁷ It should be emphasized that in all his previous press conferences, Putin displayed a genuine capacity to respond to tough questions with tact, flair, and an undeniable dash of wit. Whether one agreed or disagreed with his positions, he conducted himself with an air of sober pragmatism and geopolitical realism.

On March 4, this carefully-constructed image vanished forever. Putin displayed nothing but boorishness, stupidity, and childish spite. To borrow the language of text messaging, this conference was one massive #EPICFAIL. Putin began with two jaw-dropping lies, asserting that Ukraine had been hijacked by an illegal military coup, and that there were no Russian troops in Crimea. In between these tent-pole Big Lies, there wandered a circus promenade of paranoid accusations, meandering asides, and obvious red herrings. At one point, Putin denounced the toppling of Ukrainian President Yanukovich this way:

There can only be one assessment: this was an anti-constitutional takeover, an armed seizure of power. Does anyone question this? Nobody does.

One could feel the collective jaws of the assembled journalists drop in disbelief. Never in 21st century history has so much accumulated political and cultural goodwill evaporated so quickly. The cumulative credibility garnered by previous Presidential press conferences, the billions of rubles invested in the Russia media and in the Sochi Olympics – it all went up in smoke.

Let us recall facts. There was no armed coup in Ukraine. Not a single armed soldier

patrolled the streets, not a single general broadcast any curfews on television. There was nothing but an overwhelmingly massive and peaceful movement which employed democratic means to protest against the rule of a deeply unpopular, corrupt and autocratic President.²⁸ Yet Putin rambled on, digging himself deeper and deeper into the bottomless pit of imperial self-delusion.

What was most disconcerting to long-time observers of Putin was his body language. He was shockingly ill at ease, and performed a number of actions at variance with all his previous performances. He slouched. His gaze wandered over the hall, he circled around the same points again and again. He cited irrelevant historical details like a schoolboy struggling with the questions on a surprise exam. At times, his face contorted with barely-repressed rage. There was no trace of his trademark wit or quicksilver repartee. Putin's famous aura of command had left the building, leaving behind nothing but a small, angry boy muttering to himself, lost in a haze of half-forgotten Soviet films and memories of Crimean vacations.

In his rage, Putin had overlooked the fact that he was not talking to a Russian audience, but to a transnational one.²⁹ He compounded this mistake by suggesting that the dozens of demonstrators murdered by regime snipers in central Kiev between February 18 and February 20 had somehow been shot by the demonstrators themselves. This is a disgusting lie, easily disproved by the voluminous footage gathered by Ukraine's citizen journalists documenting the massacre.³⁰ The shots were clearly fired over several hours by specialists with military training from positions controlled by the police.³¹ The lies continued to pile up in Putin's bizarre ramblings on Ukrainian corruption:

Corruption [in Ukraine] has reached dimensions that are unheard of here in Russia. Accumulation of wealth and social stratification – problems that are also acute in this country – are much worse in Ukraine, radically worse. Out there, they are beyond anything we can imagine imagination.

Anyone with the slightest bit of familiarity with the endemic corruption of the Russian economy would roll on the floor in helpless laughter at this claim. Corruption in Russia is far worse than its Ukrainian counterpart, for the simple reason that there is so much more to steal. Where Yanukovich's thieves stole hundreds of millions of dollars via shady real estate deals³² and gas export scams³³, Russia's plutocrats extract \$60 billion per annum from the Russian economy via capital flight, a sum equal to one-third of Ukraine's entire annual GDP.

That said, Putin's comment reveals one of the deepest internal contradictions of Putinism. This is the siloviki's chronic inability to channel the country's energy-rents into productive investments. Instead of financing industry, education or high technology, those energy-rents were used primarily to finance a bloated apparatus of state coercion, overpriced military-industrial boondoggles, and a state-owned media system of compulsory hurrah-patriotism. This is the secret of one of Putin's most outrageous statements, which shows how little the siloviki are able to understand any social phenomenon which occurs outside of the confines of the security bureaucracies:

My dear colleague, look how well trained the people who operated in Kiev were. As we all know they were trained at special bases in neighboring states: in Lithuania, Poland and in Ukraine itself too. They were trained by instructors for extended periods. They were divided into dozens and hundreds, their actions were coordinated, they had good communication systems. It was all like clockwork. Did you see them in action? They looked very professional, like special forces. Why

do you think those in Crimea should be any worse?

The spectacular incoherence of this passage is typical of the entire press conference. Putin begins by attempting to smear the Ukrainian protest movement as the result of foreign subversion – a complete and total fabrication which cannot withstand the slightest bit of fact-checking.³⁴ Yet he immediately trips himself up by inadvertently admiring the organization and indomitable spirit of the protest movement (“it was all like clockwork” – one suspects this is Putin channeling the Teutonic efficiency he witnessed as a youthful KGB case officer in 1980s Dresden, East Germany). To salvage the situation, he reverts to the classic Soviet trope of the heroic Red Army unit behind enemy lines. Yet this fails too, because it is the tacit admission that Spetznaz and other Russian military units were indeed operating in Crimea.

This is not the delivery of the self-assured, focused statesman of 1998-2008. This is the invective of an aging Soviet leader, who responds to economic and cultural stagnation by retreating into a dreamworld of paranoid crackdowns and unrealistic decrees. This retrogression is confirmed by a fourth and final quote from Putin:

What is our biggest concern? We see the rampage of reactionary forces, nationalist and anti-Semitic forces going on in certain parts of Ukraine, including Kiev. I am sure you, members of the media, saw how one of the governors was chained and handcuffed to something and they poured water over him, in the cold of winter. After that, by the way, he was locked up in a cellar and tortured.

In reality, there was no rampage and no anti-Semitism. In point of fact, some of the highest-ranking members of Ukraine's interim government were Jewish. Representatives of Ukraine's Jewish community categorically denied Putin's allegations, saying there was no threat to their safety. The only concrete evidence Putin cites is the mistreatment of a local governor. He is most likely referring to an incident on February 19, when an official was surrounded and pushed around a bit by an angry crowd of protesters.³⁵ While violence is always to be condemned in any civil protest inside a functioning democracy, it should be noted that the protesters in the video had been receiving blood-curdling online reports and cell-phone testimony from friends that Yanukovich's snipers had been massacring unarmed protesters in Kiev on February 18 and 19. Thankfully, they did not answer for that killing with any killing of their own. The governor was not seriously harmed, and was later released from captivity.

What makes Putin's alleged defense of human rights a repulsive fraud is his omission of the massive campaign of violence, intimidation, and outright murder committed by the Yanukovich regime on members of the protest movement. One of the most famous examples of this was an attack on fearless investigative reporter Tetyana Chornovol in December 2013. She was chased down by regime thugs while driving down the highway and beaten to within an inch of her life.³⁶ The indomitable strength of the protest movement was not due to subversive propaganda or foreign trainers. It was due to the fact that millions of ordinary Ukrainians witnessed their friends, family members and neighbors being subjected to arbitrary and unjust violence with their very own eyes – and then decided to take a stand against that violence.

8. Russian Winter, Ukrainian Spring

There is a classic Russian proverb which says, Назло бабушке отморожу уши [literally, 'to spite grandma, freeze off one's ears', i.e. to cut off one's nose to spite one's face]. In the modern version of this proverb, to spite Merkel's EU, Putinism froze its economic future. One of the deepest ironies of the Crimean annexation is that Ukraine won by losing, and Russia lost by winning.

The precondition for Ukraine's victory was the complete rejection of violence as a means of resolving political conflicts by the protest movement.³⁷ This rejection was crucial because nonviolence had been the guiding principle of the February revolution, and open warfare would have destroyed that revolution both spiritually (in the form of uncontrollable ethnic chauvinism and hatred) as well as geopolitically (Putinism would have used a military conflict as the pretext to annex the easternmost districts of Ukraine). The interim leaders of the Ukrainian government showed inestimable wisdom, by rejecting any form of military escalation.³⁸ They prohibited their troops from engaging in hostilities, and they did not move armed forces from the rest of Ukraine into Crimea.

By taking military conflict off the table, the interim government created the space for one of the greatest achievements of Ukrainian revolution. This is the behavior of the ordinary Ukrainian soldiers stationed in Crimea. Chronically underfunded and disrespected by the Yanukovich regime, these soldiers did something nobody expected: they successfully upstaged Putinism's spectacle of military might. Countless press reports confirm that the Russian officers in charge of the Crimean operation were utterly confounded by the refusal of the Ukrainian troops to open fire on the invaders. Suspecting it was some kind of trick, Putin sent the invasion into overdrive, by blocking ports, flying in heavy equipment, sealing off the roads connecting Crimea to Ukraine, and hurriedly staging a fraudulent referendum with no credible international observers or voter lists.

It was not a trick. The Ukrainian soldiers were not showing cowardice, because they refused to surrender their bases, to hand over their weapons, or to recognize the authority of the Russian invaders, despite being completely surrounded and hopelessly outgunned. Nor did they show docile passivity. The Ukrainians turned their military weakness into moral strength, by marching out to peacefully confront the invaders without weapons, precisely where the Russian forces kept their faces masked and their guns at the ready.³⁹ The Ukrainians kept their friends and families informed about the situation, precisely where the invaders were told to maintain radio and personal silence. The Ukrainians even set up live webcams around their bases and talked freely to journalists, precisely where the invaders shut down Crimea's independent news channels and sullenly refused to talk to the press.

By inventing their own forms of nonviolent resistance, the Ukrainians transformed the Russian soldiers from heroic combatants into skulking gendarmes, who had to physically enter each base and haul off the Ukrainian soldiers, one by one.⁴⁰ Where the openness and creativity of the Ukrainian soldiers exemplified the new Ukraine – a country united around the ideal of maximizing social justice for all, as opposed to enriching the few – the secretive masks and paranoia of the Russian invaders exemplified a country ruled by administrative diktat, rather than democratic accountability.

It is striking how this alternating dynamic of revolutionary blossoming and counter-revolutionary withering has fatefully transformed the political spheres of both nations. After the February revolution, Ukraine's interim government initiated some of the most progressive and

far-reaching legislative reforms in the nation's history. The Ukrainian Parliament is moving to adopt a progressive income tax (the current system is a highly regressive flat tax), it has begun the process of judicial reform, it has increased the transparency and accountability of public services, and it has begun to clean up the cesspool of corruption eating at Ukraine's economy.⁴¹ During the same time period, the Russian parliament rubber-stamped Putinism's annexation, declared any critique of Putinism's Russo-imperialism to be criminal extremism, and indulged in obnoxious gay-bashing and imperial xenophobia.⁴² Not to be outdone, Russia's executive authorities arrested anti-imperial protesters, shut down lenta.ru and other websites critical of the government, and forced Pavel Durov, the founder of Russian social networking site Vkontakte, to sell his shareholdings to a pro-Kremlin plutocrat.⁴³

The parallels extend deep into the psychological realm of national symbolism. Ukrainians experienced a crashing psychological depression when Russia annexed Crimea, but responded with restraint, pragmatism and creativity.⁴⁴ By refusing to yield to passivity or violence, they saved their democracy, and will be rewarded with long-term economic and political success. By contrast, Russians experienced an unheard-of psychological euphoria, aided by the agitprop of the state-owned media. The main symptom of this euphoria is a toxic cocktail of national chauvinism and Russo-imperialism, most apparently in the lunatic cry for a quick military invasion of the remainder of Ukraine. This invasion will not happen, for the simple reason that Ukraine has united, and because Putinism's foreign policy runs on the principle of financial petro-colonialism rather than ethno-national imperialism.⁴⁵ Yet by refusing to critique its imperial past, Russia lost its nascent democracy to a thuggish autocracy. Russians will pay for their momentary euphoria with a decade of political isolation and economic stagnation.

9. Crimea Doesn't Pay

From a purely economic perspective, the annexation is the best thing to ever happen to Ukraine, and the absolute worst thing to ever happen to Russia. What is at stake is not simply the short-term costs of the annexation, but also the long-term developmental trajectory which it locks both nations into.

For Russia, the short-term costs include the \$12 billion its central bank spent to stabilize the value of the ruble following the invasion, as well as increased capital flight (preliminary estimates suggest the total reached \$60 billion just in the first quarter of 2014, whereas the normal level of capital flight is \$60 billion per year). To be sure, Russia still has nearly half a trillion dollars of foreign exchange reserves, and it is possible some capital flight will return.

The problem is that Crimea is an economic albatross. The peninsula has no significant industrial base, and its economy was completely dependent on tourism and Ukrainian federal subsidies. This tourism industry is unlikely to ever recover, for the simple reason that 70% of its receipts came from Ukrainians who will boycott the region in the future. Nor will Russian tourists flood in to compensate for this deficiency, because they prefer the beautiful beaches and well-developed resort infrastructures of Bulgaria and Turkey.

Leonid Bershidskii has estimated that Crimea receives \$820 million in net annual subsidies from Ukraine's federal budget. In addition, Crimea depends on Ukraine for its water, gas and electricity – the prices of which will be sure to rise after the annexation.⁴⁶ Much of the 60% ethnic Russian population of Crimea consist of elderly retirees, who will demand higher

pensions and social benefits from the new authorities. Since Ukraine has a per capita GDP of roughly one-fourth the Russian level, matching the level of existing subsidies and quadrupling the peninsula's wages and pensions will cost at least \$4 billion per year. Russia will also have to shoulder the burden of upgrading the peninsula's ramshackle gas lines, electricity, water and transportation networks, an additional \$2 billion per annum.

This \$6.8 billion in expenditures is only 1.5% of the current Russian federal budget.⁴⁷ However, this is just the tip of the iceberg. One of the price tags of Putinism's short-term political triumph is that Russian national strength will henceforth be defined in the crudest and most military-revanchist manner possible. Over the short run, the Russian state will transform the peninsula into a glitzy showpiece of Russo-imperialism – a state-subsidized landscape of historical theme parks, expensive military drills, annual firework displays, gaudy memorials, and recreations of famous WW II battles. This will make the local gangster-oligarchs who spearheaded the separatist movement exceedingly wealthy, but will not benefit the Crimean economy in any significant way.

Over the medium and long term, Putinism will significantly boost military spending, since the siloviki will henceforth perceive the countries of the European Union and Ukraine's democracy as active threats to their continued rule. The Sevastopol harbor will be refurbished, the Black Sea fleet will be expanded, new airfields will be built, and high-technology weapons will be procured. The result is that the nation's military budget is likely to rise from its current \$61 billion per annum (about 3% of GDP) to \$81 billion or more (4% or higher). This will be a significant drain on Russia's budget, at the exact moment that its wellspring of energy-rents has begun to run dry.

In addition to wasting its national wealth on subsidizing a few Crimean oligarchs and military-industrial boondoggles, the phantom empire will pay an enormous price by alienating its neighbors. Russia's invasion tore up a raft of international treaties it had previously signed, ranging from the 1994 Budapest memorandum to the UN charter. At a stroke, Putinism has given the nations of the EU a security mandate – as well as a direct economic incentive – to accelerate their full transition to renewable energy.

A similar blowback will occur in the relationship between Russia and its post-Soviet neighbors. These nations now have a genuine reason to fear direct economic and military intervention from the siloviki state. To forestall this possibility, these nations will quietly but inexorably shift towards a variety of multipolar political and economic arrangements. This shift will be accelerated by the other key player of the Eurasian region, namely China. China's post-1949 national identity has been founded on two principles: the inviolability of national sovereignty, and the inviolability of territorial integrity. The Crimean invasion violates both precepts. China will draw the logical conclusion that Putinism is not to be trusted any further than the reach of its pipelines, and will accelerate its own push into renewable energy. It will also take care to balance any additional contracts for energy imports from Russia with a host of supplies from other regions of the world.

The final aspect of Putinism's economic dead end is not geopolitical, but internal in nature. This is the long-term cost of energy-rent patrimonialism on the Russian economy. This cost has two major subcomponents. The first was Putinism's decision to raise Russian wages and pensions via administrative decree. This sparked economic growth and spurred a domestic consumer boom, at the cost of pricing Russian manufactured goods out of world markets.⁴⁸

According to the WTO, Russian manufactured goods comprised 21.6% of all exports in 2005, but only 19.6% of all exports in 2012. Russia's exports are noticeably skewed towards the low and medium scale of technology:

Table 4. Manufactured Goods and High-technology Manufacturing Exports.⁴⁹

Country	Exports of All Manufactured Goods, 2012	High-technology Manufacturing Exports, 2011	High-tech as Percent of Manufactured Exports, 2011
China	\$1,925 billion	\$457 billion	25.8%
India	\$180 billion	\$12.9 billion	6.9%
Brazil	\$82 billion	\$8.4 billion	9.7%
Russia	\$104 billion	\$5.4 billion	8.0%

It is worth pointing out that Russia's manufactured exports include weapons exports, which totaled \$15.2 billion in 2012. This means that Russia's civilian sector manufactured exports were only \$89 billion in 2012. Putinism boosted real incomes, but did not significantly improve the underlying productivity of the Russian economy.⁵⁰

The second subcomponent of Putinism's energy-rent patrimonialism is often overlooked by both Russian and foreign analysts, but is just as damaging to the economy. This was Putinism's decision to continue Soviet-era domestic energy subsidies to Russian consumers. The Soviet Union was always an energy wastrel, due partly to an excess of energy-intensive military factories, but mostly to the lack of mechanisms to price energy and measure its usage. Most Soviet-era buildings do not have gas or electric meters, most Russian power plants use legacy Soviet equipment and are exceedingly inefficient by world standards, and natural gas and electricity prices are so low that there is no financial incentive for consumers or industries to practice conservation. To this day, Russia remains one of the most energy-inefficient economies in the world.⁵¹

This inefficiency has a staggering price tag. The International Energy Agency estimates that in 2010, state subsidies for Russian consumption of natural gas were \$17 billion, while subsidies for electricity were \$22.3 billion. This is a total of \$39.3 billion, or 2.7% of Russia's then-current GDP. While these subsidies are nominally meant to subsidize the majority of citizens, in practice they primarily benefit the wealthiest of consumers and energy-intensive industries.⁵² While Russia's newest construction projects have begun to employ metering, insulation and energy audits, and while the Medvedev Presidency did finally pass legislation in 2009 calling for energy conservation and investment in renewables, the Russian government has not made energy conservation a national priority.⁵³

There is a similar disconnect between rhetoric and action in the field of renewable energy. Russia generates significant amounts of electricity from hydropower, but lags far behind the other BRIC nations in developing solar, wind power and biofuels.

Table 5. Renewable Energy In The BRIC Nations.⁵⁴

Country	Total Wind Capacity 2013 (gigawatts)	Total Solar Capacity 2013 (gigawatts)	Total Hydropower 2011 (terawatt-hours per year)	Total Biofuels 2011 (terawatt-hours per year)
China	91.4 GW	20 GW	687.1 TWh	34 TWh
India	20.2 GW	2.2 GW	131 TWh	4 TWh
Brazil	3.5 GW	Almost nil	424 TWh	32.2 TWh
Russia	Almost nil	Almost nil	163 TWh	2.8 TWh

9. End of the Gazogarchy, Rise of Digital Ukraine

Russia's energy-rent patrimonialism was one of the essential precipitating factors of Ukraine's 2014 revolution. Putinism's foreign policy vis-a-vis Ukraine, shorn of its fanciful rhetoric of pan-Slavic unity and Eurasian integration, has long amounted to a regional petro-colonialism. The bargain was that Ukraine's elites would pledge fealty to the political primacy of Russia in the post-Soviet space, in return for preferential trade access and energy subsidies.⁵⁵ Since Ukraine had almost no energy-rents of its own, these subsidies were a gift to Ukraine's oligarchs and political elites. Indeed, the Yanukovich regime was essentially a “gazogarchy”, wherein a tiny elite employed the power of the state to harvest energy-subsidies as political rent.⁵⁶

The gazogarchy operated in the following manner. First, the state of Ukraine (via state-owned energy company Naftogaz) paid the state of Russia for imports of natural gas. Second, this gas was resold at a slightly lower price to a bevy of local suppliers. Third, those suppliers resold the gas to consumers at a suitable markup. In 2011, the IEA estimated Ukraine's energy subsidies at \$5.2 billion for natural gas and \$2.47 billion for electricity, for a total of \$7.67 billion, or roughly 5.6% of its GDP. In theory, these subsidies were meant to benefit ordinary Ukrainians. In practice, the subsidies generated the same forms of structural corruption in Ukraine as Putinism's energy subsidies did in Russia, only on a much smaller scale. Since Ukraine did not have effective gas metering or regulatory oversight, there were few constraints on the ability of suppliers to divert gas and sell it illegally elsewhere. Nor did Ukraine pursue a national conservation strategy, which meant there were no incentives for consumers or firms to use energy more efficiently.

While previous Ukrainian leaders had exerted some degree of influence over the commanding heights of the gas economy, the Yanukovich regime was the first to seize direct control of the distribution network by means of proxy owners, a.k.a. stooges. The most famous of these stooges was Sergei Kurchenko, who mysteriously acquired an immense fortune (somewhere between \$400 million to \$2 billion) at the tender age of 27, despite having no discernible entrepreneurial expertise. In 2012, Kurchenko's looting spree attracted the attention of crack investigative journalists Sevgil Musaeva and Alexander Akimenko, who exposed the

scoundrel in an article for Forbes Ukraine (Museava also wrote an excellent piece on Kurchenko for the Organized Crime and Corruption Reporting Project).⁵⁷

In response, Kurchenko pressured the reporters to retract the story. When they refused to back down, he tried to purchase the media holding company of Forbes Ukraine in a flagrant attempt to throttle Ukraine's independent media.⁵⁸ A blogger at *The Economist* raised warning flags about the sale back in 2013:

But Mr Kurchenko, the owner of one of Ukraine's top football clubs, Metalist Kharkiv, is no ordinary oligarch. His energy holding, renamed VETEK, recently bought for \$300m a strategic oil refinery from Lukoil, a Russian energy firm, and is expected to soon become a direct importer of Russian gas. This only makes sense if you have top level political backing, argues Arkadiusz Sarna, an analyst at OSW, a Warsaw think tank. All signs point to the president. “There are no accidental players on this market,” he says.

“Mr Kurchenko is Mr Nobody,” says Taras Berezovets, director of Berta Communications, a political consultancy. He says the youthful oligarch is a front for 'The Family,' a group of loyalists surrounding the son of the president, Oleksandr Yanukovich. So far the group had expanded into energy and finance, but still lacked any serious media companies. Mr Berezovets believes the TV channels of StarLightMedia Group, Ukraine's largest media holding owned by billionaire Victor Pinchuk, make it the next logical target.⁵⁹

One of the most intelligent and bravest acts of the post-revolutionary interim government was to attack this cesspool of corruption at its source, by eliminating the gas subsidies scheme altogether. Prices will rise to their true levels, thereby encouraging much-needed conservation and industrial restructuring. While the transition will be painful due to Putinism's vindictive policy of immediately ending its previous subsidies on gas exports (Russian gas prices were immediately raised to \$485 per 1,000 cubic meters, an 80% increase from last year), there is broad political acceptance in Ukraine for the interim government's action. Simply, the Crimean invasion has taught Ukrainians the urgent necessity of breaking the power of Russian petro-colonialism over their nation for once and for all. To ease the transition, the government is creating a set of tax rebates to enable low-income households to pay their energy bills.⁶⁰

Despite its current troubles, the Ukrainian economy has a solid foundation for future growth. These foundations include the high levels of literacy, urbanization and educational attainment bequeathed to Ukraine by the Soviet industrialization model, as well as a reasonably diversified economy. Lacking Russia's energy-rents, Ukraine has specialized in the production of sophisticated medium technology goods (everything from passenger buses to aircraft engines) and processed agricultural goods. It also has a small but fast-growing business software sector, estimated at \$3.6 billion of revenue in 2013.⁶¹

Table 6. Export Trade Specialization In Four Eurasian Nations, 2012

Country	Manufactured goods, % exports (% GDP)	Energy, % exports (% GDP)	Food items, % exports (% GDP)
Russia	14.2% (3.9%)	70.3% (19.3%)	3.2% (0.9%)

Kazakhstan	12.5% (5.7%)	69.9% (31.9%)	3.3% (1.5%)
Belarus	48.7% (65.8%)	20.4% (27.6%)	9.8% (13.2%)
Ukraine	59.5% (25.1%)	5.3% (2.2%)	25.9% (10.9%)

Surprisingly, Ukraine is not especially dependent on trade with Russia. In 2012, 25.7% of Ukraine's exports went to Russia, 24.9% went to the EU, and another 13.2% were delivered to Turkey, Egypt and Kazakhstan. That same year, 32.4% of Ukraine's imports came from Russia, 30.9% came from the EU, while another 18.7% came from China, Belarus and the US.⁶² Finally, Russia is not a significant source of advanced technology, patents, or software for the Ukrainian economy.

What this means is that Ukraine has both the internal capacity and the external market access required to create democratic structures of accountability over the economy, or what we will call the project of Digital Ukraine. For Digital Ukraine to succeed, ordinary citizens will have to enforce a crackdown on oligarchic theft and everyday forms of corruption. At the same time, the government must undertake a crash program of energy conservation, gas metering, investment in renewable energy (wind, solar, and biofuels), and long-term investment in the industrial base.⁶³ This can be financed over the short term with financing from the EU, and over the medium term by energy savings and other efficiencies of internal restructuring.⁶⁴

10. Eurasian Futures

From a geopolitical standpoint, Russia has been the center of three empires in the past two hundred years of its history. The first empire was the Romanov land-empire, built on Eurasian wars and settler-colonial annexations. The second empire was the autarkic industrialism of the Soviet Union, which transformed rural peasantries into urbanized nationalities. The third is Putinism's energy-rent empire.

The year 2012 marked the zenith of this third empire – the moment, to borrow a phrase from the financial analysts, of Peak Putin. Consequently, the year 2014 marks the beginning of Putinism's inexorable downward slide. Where the Romanovs ran out of fresh lands and peasant populations to incorporate, and where the Soviet Union ran out of extractive resources to finance its autarkic economy, Putinism is now running short of the energy-rents necessary to finance a semblance of mass consumerism along with plutocratic looting. The first overt sign of this historical turning-point is the Ukrainian revolution, which forever tore off Putinism's rhetorical mask of modernization, and revealed its underlying revanchism to the transnational audiences of the world.

Indeed, Putinism's decline is transforming every single one of its historical achievements into a site of future failure. Where Putinism previously harvested energy-rents to rebuild a Russian state which urgently needed sustenance, now it harvests Crimean “dead souls” to rebuild an imaginary empire it cannot afford. Where it previously quelled revanchist, unviable ethnic separatisms in its own country, now it ignites revanchist, unviable ethnic separatisms in other countries. Where it previously negotiated with its neighbors in good faith to resolve territorial and border disputes, now it arrogantly bullies and invades them. Where it previously sought to

convert the one-party state into a lawful civil state, now it glorifies the one-leader, one-language, one-ethnicity, one-religion state and criminalizes even the whisper of internal dissent. Where its state media previously constructed a post-Soviet Russian identity based on the ideal of federal citizenship, now this media vomits a toxic spew of mandatory hurrah-patriotism, repulsive homophobia, and the sort of babbling lies which not even a ten-year-old could believe in.

That said, the Ukrainian revolution is far more significant than its epic defeat of Putinism. This revolution marks the moment that the transnational audiences of the semi-periphery are using digital tools to become political actors in their own right. In a nutshell, the mass digital mobilizations first glimpsed in the Arab Spring revolutions and Occupy protests are now crystallizing into a wide range of democratic institutions, participatory practices, and forms of critical thinking. Transnational class struggle is transforming transnational audiences into transnational citizens.

In this respect, it is worth remembering that the most profound lesson of the *Brumaire* was not merely its observation that France's nobilitarian-tragic past had been upstaged by its bourgeois-farcical future. Marx's greatest insight was that as early as 1851, capital's future had already become the proletarian past. To paraphrase Marx one last time: the proletarian revolution of the 21st century cannot take its transnational aesthetics from the neoliberal past, but only from its digital future. It cannot begin with itself before it has stripped away all nostalgia for past local, regional, national and international capitalisms. These capitalist revolutions all required recollections of past empires, in order to smother their potentially emancipatory content. The digital revolution of the 21st century must let history bury historically extinct modes of production. In neoliberalism, the digital speculation went beyond its transnational content – in the digital commons, the transnational content goes beyond its speculative form.⁶⁵

The Ukrainian revolution against thieving gazogarchs and predatory petro-colonialists is the tocsin of a renewed round of struggle against neoliberalism's agenda of obscene wealth for plutocrats, and misery for everyone else. What Ukraine demonstrates is that the bankster neoliberalism of the fully industrialized nations is the gangster neoliberalism of the industrializing nations: the criminal financial thefts of the former are the criminal land-grabs of the latter. The struggle of ordinary Ukrainians against their gazogarchs is also the struggle of ordinary Brazilians against their own plutocrats. The struggle of ordinary Indians against their land thieves and business tycoons is also the struggle of ordinary Chinese against their corrupt officials and state-business elites. The struggle of ordinary Americans and Europeans against Wall Street neoliberalism and ECB euroliberalism is also the struggle of ordinary Russians against the siloviki-plutocracy.⁶⁶

Here in the second decade of the 21st century, we have become one digital world and one economic market, under one neoliberal plutocracy. Now the time has come for one solidarity. This solidarity means breaking the economic hegemony of the plutocrats, and revealing the truth about the plutocracy's track record of dismal economic failure, insensate corruption, and ecological despoliation. It means breaking the political hegemony of neoliberalism's paid stooges and energy-rent despots, by constructing new forms of digital assembly, digital speech and digital citizenship. It means breaking the cultural hegemony of neoliberal consumerism, by constructing a new digital culture of non-commercial sharing, collective creativity, and democratic participation for all.

In short, the seven billion of those of us on this planet who work for a living must

struggle for our own class interests, and against the class interests of the one hundred thousand plutocrats.⁶⁷ We have worlds upon worlds of accumulated labor-time to win, a planetary ecology of natural history to save, and digital communities and transnational democracies to build. Nobody can know when the next global upsurge will happen, where it will take place, or how precisely it will unfold – but it is surely coming, and more will follow. And when the time comes for systemic change, Marx will have the last laugh: well grubbed, digital moles!

1. Marx's original text: "Bürgerliche Revolutionen, wie die des achtzehnten Jahrhunderts, stürmen rascher von Erfolg zu Erfolg, ihre dramatischen Effekte überbieten sich, Menschen und Dinge scheinen in Feuerbrillanten gefaßt, die Ekstase ist der Geist jedes Tages; aber sie sind kurzlebig, bald haben sie ihren Höhepunkt erreicht, und ein langer Katzenjammer erfaßt die Gesellschaft, ehe sie die Resultate ihrer Drang- und Sturperiode nüchtern sich aneignen lernt. Proletarische Revolutionen dagegen, wie die des neunzehnten Jahrhunderts, kritisieren beständig sich selbst, unterbrechen sich fortwährend in ihrem eignen Lauf, kommen auf das scheinbar Vollbrachte zurück, um es wieder von neuem anzufangen, verhöhnen grausam-gründlich die Halbheiten, Schwächen und Erbärmlichkeiten ihrer ersten Versuche, scheinen ihren Gegner nur niederzuwerfen, damit er neue Kräfte aus der Erde sauge und sich riesenhafter ihnen gegenüber wieder aufrichte, schrecken stets von neuem zurück vor der unbestimmten Ungeheuerlichkeit ihrer eigenen Zwecke, bis die Situation geschaffen ist, die jede Umkehr unmöglich macht, und die Verhältnisse selbst rufen: Hic Rhodus, hic salta! Hier ist die Rose, hier tanze!". http://www.mlwerke.de/me/me08/me08_111.htm

2. It is worth emphasizing that the turn 20th century and the epoch of monopoly capitalism gave this tale of two revolutions an added level of complexity. The revolution of monopoly capital ushered in the predominance of divisional corporations, national banking systems, national media systems, and the rise of the US to world economic, political and cultural hegemony. In response, the revolution of monopoly-era workers struggled for decolonization and national self-determination in the peripheries and semi-peripheral nations, as well as various forms of collective security in fully industrialized nations (the basic protections of the welfare state, the right to collectively bargain, progressive income taxes, and state investment in public education, infrastructure, science and technology). Here in the dawning 21st century, it has become clear that we are witnessing yet another great transformation, namely the transition from monopoly-national capitalism to a truly transnational capitalism. For the past thirty-five years, the revolution of transnational capitalism, a.k.a. neoliberalism, has been locked in struggle with the revolution of the transnational proletariat. While these two revolutions are far too complex to summarize, it is worth noting that some of the main features of the revolution of neoliberalism have been Washington Consensus structural adjustment and austerity, the demolition of First World welfare states, the commodification of culture via advertising and for-profit media corporations, and financial deregulation and privatization for the sole benefit of plutocrats. Conversely, some of the main features of the revolution of the transnational proletariat are mass mobilizations against austerity, the preservation and renewal of the welfare state and public sector, the creation of non-commercial networks of interactive and digital media, and the critique of plutocracy via new forms of digital inclusion and digital democracy.

3. According to Angus Maddison, France's GDP grew from \$35.5 billion in 1820 to \$72.1 billion in 1870, as measured in 1990 US dollars. During the same period, Germany's GDP grew from \$26.8 billion to \$72.0 billion. The hegemon of the day, Britain, grew from \$36.2 billion to \$100.2 billion. By contrast, the US grew fastest of all, mushrooming from \$12.5 billion to \$98.4 billion (US growth is all the more remarkable considering the immense destruction incurred during the US Civil War of 1860-1865). See: Maddison 2007, p. 379, table A.4.

4. The single best text on the debacle of Russia's privatization is Paul Khlebnikov's *Godfather of the Kremlin*. Harcourt: NY, 2000.

5. "The groups within the Russian elite that are most closely connected to private enterprise include members of the government and regional governors (52.3 per cent and 43.9 per cent, respectively).

However, although an increasing proportion of the elite have an entrepreneurial background, there has also been an increase in those who come from the security services and the military. By 2009 the share of siloviki holding the highest political offices had reached 42.3 per cent. Meanwhile, the proportion of women, intellectuals and young people has been declining steadily, and blue-collar groups have disappeared from the elite altogether.” Olga Kryshtanovskaya. “Authoritarian Modernization of Russia in the 2000s.” *What Does Russia Think?*. European Council on Foreign Relations, 2009 (31). http://ecfr.eu/page/-/ECFR16_What_Does_Russia_Think.pdf

6. The fact that Putinism occasionally denounced the plutocrats using populist rhetoric does not mean the regime was in any way hostile to them. These denunciations were completely devoid of practical measures to stop capital flight or to effectively regulate the economy. They were a political message to the plutocrats to refrain from political activity, nothing more. See: By Robert LaFranco and Alex Sazonov. “Russia’s 20 Biggest Billionaires Keep Riches From Putin.” Bloomberg, May 1, 2013. <http://www.bloomberg.com/news/2013-05-01/russia-s-20-biggest-billionaires-keep-riches-from-putin.html>

7. US Energy and Information Agency. <http://www.eia.gov/forecasts/steo/realprices/>.

8. Gaidar Institute, Russian Economic Developments, No. 2, 2014 (26).

9. Dmitry Zhdannikov and Vladimir Soldatkin. “Kremlin Corp debt weighs in West's standoff with Russia.” Reuters, March 11, 2014.

<http://www.reuters.com/article/2014/03/11/ukraine-crisis-russia-debt-idUSL6N0M72U720140311>

10. Ibid, Russian Economic Developments.

11. International Centre for Prison Studies.

http://en.wikipedia.org/wiki/List_of_countries_by_incarceration_rate

12. SIPRI (2014). http://www.sipri.org/research/armaments/milex/publications/unpubl_milex/military-expenditure-in-the-russian-federation-2012-2015

13. Ibid, Dmitry Zhdannikov and Vladimir Soldatkin.

14. Russian producers accounted for only 0.3% of the 2013 world market in machine tools. By comparison, East Asian firms accounted for 45% of all machine tools revenue, European firms accounted for 43%, and US firms accounted for 7.2%. Gardner World Machine Tools Survey 2014. http://www.gardnerweb.com/cdn/cms/2014wmtocs_SURVEY.pdf

15. There are no exact figures on how much of Russia's machine tool production is military in nature, but the percentage is likely to be significant, given that Russia is one of the largest arms exporters in the world. In 2013, the Russian government outlined a plan to invest a cumulative total of 150 to 200 billion rubles of state funds (\$5 billion and \$6.7 billion at 2013 exchange rates) in military-specific machine tools until 2020, or roughly \$714 million to \$957 million per annum. If these figures are invested as planned, then Russia's machine tools sector will essentially be one gigantic weapons procurement program. Government of Russia, July 24, 2013. “Meeting on measures to develop the national machine-tool industry for modernising the military-industrial complex.”

<http://government.ru/en/news/3320>

16. Marshall Goldman argued as early as 2008 that the administrative hypercentralization of the Russian state would have significant long-term negative consequences for Russia. Goldman noted that in China, provincial governments and local authorities can and do push back against Beijing's national directives. The result is a system of dynamic balance, where local initiative can compensate for centralized autocracy. By contrast, Russia's petrostate is almost immune to challenges from any local authority. The result is a top-heavy system guaranteed to deliver nothing but massive insider corruption and procedural dysfunction. Marshall Goldman. *Petrostate: Putin, Power, and the New Russia*. Oxford UP: New York, 2008.

17. Vladislav Inozemtsev. "The Nature and Prospects of the Putin Regime." *Russian Politics and Law*. 46: 3, 2008 (6-26).

18. The concept of the phantom empire is modeled on what Alena Ledeneva calls Russia's "sistema", i.e. the informal rules which govern all socio-economic transactions in contemporary Russia. Alena V. Ledeneva. "Russia's Practical Norms and Informal Governance: The Origins of Endemic Corruption." *Social Research*, 80:4, 2013.

19. Ibid, Russian Economic Developments (26).

20. It should be noted there was one moment in the ceremonies marked by a profound ideological rupture, when Putinism found itself trapped by its own contradictions. This was the moment when the air-raid sirens signaled the end of the revolutionary train dance sequence, and the beginning of WW II. Giant searchlights waved in the air, and finally settled on the audience itself. The structural paranoia of this moment is unmistakable: we were just beginning to get on our feet when you outsiders brought this terrible war upon us.

21. Monokuma is the main antagonist in Spike Chunsoft's excellent *Danganronpa* (2010) and *Danganronpa 2* (2012), some of the best murder-mystery role-playing videogames ever created. for the Sony PSP and Vita. In the storyline, Monokuma is a mascot bear, who turns into a terrifying symbol of the monstrous violence being unleashed by the demise of the neoliberal era.

http://en.wikipedia.org/wiki/Danganronpa:_Trigger_Happy_Havoc.

<http://danganronpa.wikia.com/wiki/Monokuma>

22. For the details on Putinism's increasingly paranoid, bigoted, and unashamed authoritarianism after 2011, see Amnesty International's 2013 report on Russia:

<http://www.amnestyusa.org/sites/default/files/eur460112013en.pdf>. For footage of the public whipping of protest group Pussy Riot by a security staffer at Sochi, see: <http://www.youtube.com/watch?v=ivT-I-yxtdY>

23. Contemporary Russia has contiguous land borders with fourteen other nation-states or autonomous regions. Finland, Estonia and Latvia are stable democracies and members of the European Union and NATO, and are thus immune to annexation. Belarus has only a small number of ethnic Russians (about 8% of its 10 million citizens), and has also evolved a stable system of semi-democratic patrimonialism under Lukashenko, an occasionally authoritarian but undeniably effective national administrator. Abkhazia is a genuinely independent state with its own complex cultural history (Abkhazia's great

national novel, Fazil Iskander's *Sandro of Chegem*, is available in an excellent English translation). South Ossetia is an extremely small autonomous region (about 55,000 citizens) adjoining Georgia, and thus not a significant demographic prize. Both Georgia and Azerbaijan have very small populations of ethnic Russians, and a strong sense of independent national identity. Kazakhstan does have a significant ethnic Russian population (about 4 million, or 23.7% of its population), but the nation has become a successful middle-income economy under Nazarbayev's savvy leadership. For all the flaws of the Nazarbayev regime, it mobilized Kazakhstan's energy-rents to rebuild the economy much as Russia's siloviki elites did – only where Putinism wasted a great deal of its money on police and military boondoggles, Nazarbayevism built modern infrastructure and constructed the new capital city of Astana. Further east, there are no demographically significant populations of ethnic Russians who live in China (a powerful state capable of defending its borders), Mongolia (a successful democracy adjoining Russia's thinly populated Siberian region), or North Korea (the world's last Stalinist state). Ukraine is literally the only location in the world where a Russian annexation could possibly work. Even there, ethnic Russians were a demographic majority solely in the Crimea district of Ukraine (about 60% of the population). According to the 2001 census, ethnic Russians were a minority of the population in Ukraine's three easternmost regions (25.6% in Kharkov district, 38.2% in Donetsk district, and 39% in Lugansk district). These numbers have undoubtedly declined since then, due to the continued migration of ethnic Russians returning from the other post-Soviet nations to Russia, as well as to ethnic Ukrainians returning to Ukraine.

24. The so-called news coverage of state-owned broadcasters such as Russia Today consisted of nothing but outrageous lies, defamations and slurs. Among other gems, the channel posted news stories claiming that hundreds of thousands of Ukrainians were fleeing the country (not true), that mass killings were occurring (they were not), and that public order had broken down completely (it had not).

25. In a survey from March 7 to March 10, the zenith of Putinism's hate campaign, the Levada Center reported that 47% of Russians polled believed that the state media's news coverage of the Ukrainian crisis was entirely objective, and another 16% believed it was largely objective.
<http://www.nakanune.ru/news/2014/3/13/22344840/>

26. This insight is courtesy Kirill Martynov, one of the most thoughtful observers in Russia today.
<http://kmartynov.com/>

27. The full transcript of Putin's press conference is here:
http://www.washingtonpost.com/world/transcript-putin-defends-russian-intervention-in-ukraine/2014/03/04/9cadcd1a-a3a9-11e3-a5fa-55f0c77bf39c_story.html

28. After lengthy mediation by EU diplomats, Yanukovich agreed to sign an interim power-sharing agreement with the Parliament and members of the opposition. However, he never fulfilled his side of the bargain. He and his inner circle simply fled the country, leaving the nation bereft of its executive branch of government. Nor was this some hasty decision by someone fearful of assassination. In closed-circuit camera recordings of Yanukovich's palatial residence, he and his goons calmly packed up his belongings over three days, in preparation for their relocation in Russia (the footage is available here: <https://www.youtube.com/user/viktorhonka2014/videos>). In response to the President's flight, 328 members of Ukraine's Parliament (73% of the 449 seated members, above the necessary quorum for impeachment) voted to impeach Yanukovich, remove him from office, and appoint an interim President as caretaker before fresh elections could be held in May.

29. This is the same mistake Putinism made during the execution of the Crimean takeover. During the initial phase of the operation, nearly all the Russian soldiers wore masks to hide their identities. This was done partly to minimize international political fallout – soldiers without masks would be a clear violation of Ukraine's territorial sovereignty – but mostly to foster the illusion of an indigenous guerilla army rising up against invading fascists. The mask, after all, is the central symbol of the superhero – the figure who stands up for everybody, but who is also nobody in particular. What the Putinists did not realize was that the superhero mask becomes a parody of itself when placed on top of a national military uniform. Instead of liberators, the soldiers ended up looking like common thieves.

30. The grisly footage of the mass shootings is available here: <https://www.youtube.com/watch?v=dOWno2regUM>

31. This lie had its Ur-form in Putin's equally mendacious claim in 2013 that the poison gas massacre committed by Assadist forces in East Ghouta, Damascus, was committed by the anti-Assadist insurgents. Putin's exact words: “But there is every reason to believe it [poison gas] was not used by the Syrian Army but by opposition forces, to provoke intervention by their powerful foreign patrons, who would be siding with the fundamentalists.” An impartial UN investigation (http://www.un.org/disarmament/content/slideshow/Secretary_General_Report_of_CW_Investigation.pdf) confirmed that the Assadist regime did indeed have a vast chemical weapons program, and that salvos of sarin-laced rockets were used to murder thousands of innocent civilians. While the report did not assign blame, it is clear that the several tons of sarin delivered by the attack, and the large-scale rockets used, were resources available only to the Assadist forces. Forensic examination of the rocket debris and by unexploded shells unequivocally showed the rocket salvo had been fired from a single location in northwestern Damascus, an Assadist stronghold (also see <http://brown-moses.blogspot.co.uk/2014/04/why-nigel-farage-has-it-all-wrong.html>). Leaving aside the morality of defending Assad's ghastly ethno-fascist regime, there have been reports suggesting Russia's security forces have been resupplying helicopter parts and other war material to Assad's regime via illegal weapons dealers in the Ukraine (http://www.washingtonpost.com/world/national-security/ukrainian-port-eyed-as-analysts-seek-syrias-arms-source/2013/09/07/f61b0082-1710-11e3-a2ec-b47e45e6f8ef_story.html). If this is true, then Putinism's annexation of the Crimea was motivated by rage at losing Syria's proxy state as well as rage at losing its grip over Ukraine.

32. With his plunder, Yanukovych built a palace whose sheer gaudiness would embarrass a mafia chieftain: <https://www.youtube.com/watch?v=IRTp88CanVA>

33. Graham Stack. “Paper Trail Leads To Massive Corruption at Heart of Ukraine.” February 6, 2014. *Business New Europe*. <http://www.bne.eu/content/paper-trail-leads-massive-corruption-heart-ukraine>

34. One of the most compelling documents proving the profound level of popular support for the protest movement was the list of citizens killed by Yanukovych's snipers in Kiev: http://en.wikipedia.org/wiki/List_of_people_killed_during_Euromaidan. There is not a single military specialist of any kind in the list of victims. They are simply a random sampling of the ordinary people, professions and even resident nationalities of Ukraine.

35. The footage is available here: <https://www.youtube.com/watch?v=j528zR2WFIU>

36. Chornovol was extremely fortunate in that her vehicle had a dashcam installed which recorded footage of the attack. The footage is available here: https://www.youtube.com/watch?v=_hGzAHxHZeQ. Chornovol's entry to the hospital is recorded here: https://www.youtube.com/watch?v=bD0Pqnyd_ZQ

37. Timothy Snyder provides this lucid summary of the citizen mobilizations which powered Ukraine's revolution: <http://www.nybooks.com/blogs/nyrblog/2014/mar/01/ukraine-haze-propaganda/>

38. Putinism's strategy has been to employ the crudest state-media agitprop imaginable, appeals to ethnic chauvinism, hired provocateurs, undercover special forces units, and rent-a-mobs (what Russian specialists call “kombinatsiya”, or the mixture of police thuggery and media thuggery Putinism has regularly deployed since 1999) to destabilize Crimea and eastern Ukraine. While some Ukrainians are angry at what they see as the inability of the interim government to defend Crimea, the government's decision was tactically wise and strategically beneficial. By March 1, fifty thousand Russian troops were mobilized on Ukraine's border in a state of immediate war readiness. In retrospect, Putin's strategy was clearly to provoke an armed conflict in Crimea, and then take advantage of the post-revolutionary confusion of the Ukrainian authorities and the fog of war to march quickly into eastern and possibly southern Ukraine. It is true that in early March Ukraine was in no condition to stop both wings of this planned invasion. The strategy failed for the simple reason that the Ukrainians chose nonviolent mass resistance in Crimea. This left Putinism looking like the aggressive thugs they indeed were, and threw a monkey wrench into the invasion timeline. Annexing Crimea eventually required a month of action by twenty-five thousand Russian troops, tens of thousands of rent-a-mobs and hired goons, and the unofficial agreement of Ukraine to remove its troops. The interim government used that all-important month to reestablish the rule of law, rebuild the executive authority, call up its military reserves and build a national guard defense unit. By the time Putin ordered the next stage of the operation – the rent-a-mobs in the regions of Donetsk, Luzhansk and Kharkov who occupied a couple government buildings on April 6 and openly called for a Russian military invasion – the kombinatsiya crashed and burned against a solid wall of Ukrainian resistance. These regions all have populations which are majority ethnic Ukrainian, and are thus de facto hostile to any notion of foreign colonial rule. For their part, most ethnic Russians in Ukraine are disgusted and outraged by Putinism's violent assault on their country, and will be the first to fight for the future of their multiethnic nation. The seventy-five thousand Russian troops on Ukraine's two borders now face a fully mobilized Ukrainian army of seventy thousand soldiers, twenty thousand national guards with sophisticated anti-tank weapons, and a population which has rediscovered its national dignity and honor. No limited military intervention or covert operation will work anymore on Ukraine.

39. The most famous example of this is when Colonel Yuri Mamchur, a pilot serving in the Ukrainian Air Force, marched his unit towards an airbase which had been occupied by Russian troops. They did not carry weapons, but held only the Soviet-era insignia of their unit and the Ukrainian national flag. At one point the Russian soldiers began to panic and fired warning shots into the air, but the Ukrainians were fearless and marched right up to their guns. The protest remained peaceful, and was captured here: <https://www.youtube.com/watch?v=0SZdaunPeGE>

40. Eventually, an informal agreement was reached whereby Ukraine was allowed to retrieve its soldiers and equipment, while Russia completed its illegal annexation. When the Ukrainian soldiers returned to the mainland, they discovered they had become national heroes. For their part, the Russian soldiers received nothing but a “well done” from one of Putin's speeches.

41. On progressive taxation, see: <http://www.kyivpost.com/content/business/lawmakers-propose-setting-progressive-individuals-taxation-scale-with-10-15-and-20-rates-341660.html>. On public access to information, see: <http://www.khpg.org/en/index.php?id=1395950302>. On judicial reform, see: <http://www.khpg.org/en/index.php?id=1396275251>. On the corruption of the Yanukovich regime, see: <http://yanukovich.info/victor-yanukovych-assets/>. On the interim government's efforts to reform the deeply corrupt tax system, see: <http://www.kyivpost.com/content/ukraine/new-cabinet-discovers-major-mess-in-own-back-yard-341904.html>
42. <http://en.ria.ru/russia/20140204/187194929/Putin-Signs-Tougher-Anti-Extremism-Law.html>
43. On the Lenta case, see: <http://www.interpretermag.com/lenta-to-our-dear-readers-from-your-dear-editorial-team/>. On Pavel Durov, see: <http://www.businessweek.com/articles/2014-04-17/the-kremlin-tried-to-use-vkontakte-russias-facebook-to-spy-on-ukrainians>
44. One of the best examples of this creativity is the outreach campaign launched by ordinary Ukrainians to communicate the truth about the Ukrainian revolution to ordinary Russian citizens, and thereby disprove the hysterical, war-mongering lies of Russia's state-owned media. See this Russian-language appeal by Ukrainian pediatrician Dr. Komarovsky: <https://www.youtube.com/watch?v=0FpDiA4o22s>
45. It is no accident that the three most prominent examples of petro-neoliberal economies in the Eurasian space – Iran, Russia and Saudi Arabia – have all pursued foreign policies of petro-colonialism. From this perspective, Russia's annexation of Crimea and bullying of Ukraine is the rough equivalent of Iran's underwriting of Assad's Alawite dictatorship in Syria, and Saudi Arabia's repression of the pro-democracy movement of Bahrain. This is not to argue that excessive energy-rents always generate reactionary political outcomes. Countries as diverse as Kazakhstan, Norway and Venezuela have innovated various forms of petro-socialism, by channeling their energy-rents into improved social services for their populations and policies of rapprochement vis-a-vis other nations.
46. <http://www.forbes.ru/mneniya-column/mir/251764-krym-tsena-imperializma>
47. These numbers approximate the official estimates of Russia's Finance Minister Anton Siluanov, who pegged the number at \$6.8 billion. <http://www.reuters.com/article/2014/03/28/ukraine-crisis-crimea-costs-idUSL5N0MP31H20140328>
48. This problem was exacerbated by Putinism's commitment to maintaining the value of the Russia ruble vis-a-vis the US dollar and the euro, a policy rooted in its class bargain with the plutocrats. The plutocrats did not use their increased buying power to invest in the real economy, but instead chose to spend it on luxury yachts, European soccer teams, and US vacation homes. This currency policy also encouraged Russian firms to import high technology, as opposed to producing such domestically.
49. World Bank (2011). "High technology exports as percentage manufactured exports." <http://wdi.worldbank.org/table/5.13>. United Nations Conference on Trade. *UNCTAD Handbook of Statistics 2013*. New York: United Nations, 2013. <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=759>

50. The same problem is apparent in the services sector. One of the genuine bright spots of the Russian economy has been its booming software industry, which generated \$4.6 billion in export revenues in 2012. However, this represents only 1.1% of Russia's total energy exports that same year. Sadly, the Crimean annexation and Putinism's increasing authoritarianism threaten to derail Russia's software sector, by drawing negative consumer attention to Russian firms and by causing transnational firms to avoid the Russian internet (Russian traffic is heavily monitored by Russia's FSB and other security agencies).

51. “The high average age of Russian installed capacity also means low average efficiency: according to IEA data, the average thermal efficiency of gas-fired power generation in Russia (excluding CHP) is 38%, compared to an average of 49% in OECD countries and up to 60% for a new CCGT plant, which is the best-available technology.” International Energy Agency. *World Energy Outlook 2011* (270). http://www.iea.org/publications/freepublications/publication/WEO2011_WEB.pdf. For a cogent summary of Russia's energy policies, see: John P. Millhone. *Russia's Neglected Energy Reserves*. Carnegie Endowment. Washington DC: 2010.

52. This problem is not unique to Russia, but is true in a number of industrializing nations. See: <http://www.instituteforenergyresearch.org/2011/11/23/iea-review-shows-many-developing-countries-subsidize-fossil-fuel-consumption-creating-artificially-lower-prices/>

53. In fairness to the Russian government, the implementation of renewable energy is an enormous administrative and logistical challenge. Alexander Gusev describes the practical difficulties facing Medvedev's energy audit policy as follows: “All [Russian] energy audits should have been undertaken by 31 December 2012 and should have led to the drawing up of ‘energy passports’. But since most organisations had no experience in completing an energy passport, they just copied the information from each other. Consequently, of 38,000 energy passports submitted, only 2,000 were considered by the Ministry for Energy to have been well-done – that is 5 percent(16). The problem of energy audits and passports is linked to the lack of qualified energy auditors. Since the Federal Law on Energy Efficiency was approved, about 20,000 energy auditor diplomas have been issued. The qualifications for a licence are low: to obtain a diploma, one needs simply to pass a 72-hour course, which is offered by a number of companies. This had led to a great increase of poorly qualified auditors and to low prices for audits with a corresponding decrease in quality.” Alexander Gusev (2013). “Comparison of Energy Efficiency Measures in Russia To Those Implemented by Developed Countries (Including IEA Measures)”. European Parliament Directorate-General for External Policies. In: *Workshop: Eastern Partnership Prospects on Energy Efficiency and Renewable Energy* (39). [http://www.europarl.europa.eu/RegData/etudes/workshop/join/2013/433708/EXPO-AFET_AT\(2013\)433708_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/workshop/join/2013/433708/EXPO-AFET_AT(2013)433708_EN.pdf)

54. US Energy Information Administration (2014). *Wind Electricity Net Generation*. <http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=2&pid=37&aid=12&cid=regions&syid=2008&eyid=2011&unit=BKWH>. *Biomass and Waste Energy Electricity Generation*. <http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=2&pid=38&aid=12&cid=regions&syid=2008&eyid=2011&unit=BKWH>. *Solar, Tide and Wave Energy Net Generation*. <http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=2&pid=36&aid=12&cid=regions&syid=2008&eyid=2011&unit=BKWH>. Global Wind Energy Council. *Global Wind Statistics 2013*. <http://www.gwec.net/wp->

content/uploads/2014/02/GWEC-PRstats-2013_EN.pdf

55. This petro-colonialism was codified in a 2010 treaty, signed by Yanukovych and Medvedev, which gave Ukraine a small discount on imports of Russian gas, in return for allowing Russia to maintain control its Sevastopol harbor and house 25,000 of its troops in Crimean bases until 2042. Of course, Russia's Black Sea Fleet is a pure imperial fiction. Russian ships are highly vulnerable to barrages of cheap anti-ship missiles, Russia does not have the vast seaborne and airborne logistical capacity required to support maritime military adventures, and in any case Turkey's capable army could bring naval traffic through the Bosphorus straits to an instant halt. The real purpose of the treaty was to create a comprador ruling elite in Ukraine – the gazogarchs – who were expected to use their political rents to build an authoritarian machine of state repression (what could be called the project of Ukroputinism). Putinism succeeded in seizing power in Russia due to the country's 1990s economic meltdown, the fact that its oligarchs understood nothing but looting, and the scarcity of digital tools available to ordinary Russian citizens. Ukroputinism failed thanks to greater economic stability (the economy has grown slowly but steadily since 2000), the existence of Ukrainian oligarchs who understood the benefits of national independence from their Russian competitors, and digital networks which enabled new forms of mass citizen mobilization and democratic participation.

56. This strategy of rent-seeking also explains why Ukraine's revolution was most similar to the populist upheavals and political transformation of Argentina and Brazil during 2001-2003. That is, Yanukovych's looting spree was the Eurasian equivalent of Menem's looting of Argentina, or Collor's looting of Brazil.

57. Sevgil Musaeva and Alexander Akimenko. "The Gas King of All Ukraine." *Forbes Ukraine*. November 12, 2012. <http://forbes.ua/business/1341072-rassledovanie-gazovyj-korol-vseya-ukrainy>. Sevgil Musaeva. "The Age of Kurchenko." *Organized Crime and Corruption Reporting Project*. October 31, 2013. <https://reportingproject.net/occrp/index.php/en/ccwatch/cc-watch-indepth/2191-the-age-of-kurchenko>. The latest details on Kurchenko's scams are pieced together here: Anna Babinets. "How Kurchenko's Offshores Worked." *OCCRP*. April 6, 2014. <https://reportingproject.net/occrp/index.php/en/ccwatch/cc-watch-indepth/2406-how-kurchenkos-offshores-worked>

58. The editor of Forbes Ukraine at the time, Vladimir Fedorin, is to be commended for defending the reporters and taking a public stand for press freedom. It is worth emphasizing that Fedorin was not just standing up against the Ukrainian oligarchs, he was also rejecting US plutocratic corruption. Independent reporter Katya Gorchinsky discovered that a senior Forbes executive had been serving as a top advisor for Kurchenko's media grab: "American Miguel Forbes, a fourth generation co-owner and top executive, now advises Kurchenko on 'management and development of the media business and external activities' of VETEK, Kurchenko's recently created holding, according to a statement on the VETEK website. Forbes declined to answer questions about advising Kurchenko for this article. He oversees business development and the company's expansion into financial services via the Forbes Family Trust and the Forbes Private Capital Group." Katya Gorchinskya. "How Ukraine's Newest Media Mogul has Dealt with the Press." *Organized Crime and Corruption Reporting Project*. October 31, 2013. <https://reportingproject.net/occrp/index.php/en/ccwatch/cc-watch-indepth/2190-how-ukraines-newest-media-mogul-has-dealt-with-the-press>

59. J.P. (blog). "Ukraine: The gas king turned media mogul." *The Economist*. June 28, 2013.

<http://www.economist.com/blogs/easternapproaches/2013/06/ukraine>

60. Ladka Bauerova and Eduard Gismatullin. “Tackling Gas Corruption Means Potatoes for Poor.” *Bloomberg*. March 18, 2014. <http://www.businessweek.com/news/2014-03-17/ukraine-tackling-gas-corruption-means-potatoes-for-poor-energy>

61. “Ukraine Fourth in the World in IT Professionals.” *Ukrainska Pravda*. March 27, 2013. <http://www.epravda.com.ua/news/2013/03/27/368078/>

62. WTO (2012). <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Country=UA&Language=F>. UNCTAD (2013). *UNCTAD Handbook 2013* (68, 80).

63. Incidentally, one of Ukraine's largest solar installations, the 100MWp Perovo solar park, was constructed in Crimea in 2011. Fortunately, southern Ukraine receives copious amounts of solar energy, and the EU is a powerhouse of renewable energy production and design.

64. The long-term precondition of Ukraine's renaissance, to be sure, will be the political defeat of the toxic euroliberal economic policies of the EU and their replacement by a continental-sized eco-Keynesianism. The leading voice for such a program is world-class economist Yanis Varoufakis: <http://yanisvaroufakis.eu/>

65. The standard English translation of Marx's original: “The social revolution of the nineteenth century cannot take its poetry from the past but only from the future. It cannot begin with itself before it has stripped away all superstition about the past. The former revolutions required recollections of past world history in order to smother their own content. The revolution of the nineteenth century must let the dead bury their dead in order to arrive at its own content. There the phrase went beyond the content – here the content goes beyond the phrase.” <https://www.marxists.org/archive/marx/works/1852/18th-brumaire/ch01.htm>

66. A case in point of this commonality is the recent arrest of Ukrainian oligarch Dmytro Firtash for a massive corruption scam involving exports of titanium from India to the US. Serhiy Leshchenko. “The American Saga of Dmytro Firtash.” *Ukrainska Pravda*, April 4, 2014. Translated by Anna Mostovych. <http://euromaidanpr.com/2014/04/06/the-american-saga-of-dmytro-firtash>

67. To be more precise, it is the showdown between the greed of the 98,700 individuals which Credit Suisse defined as “ultra-high net worth individuals” in its 2013 Global Wealth Databook – a.k.a. those with net assets exceeding \$50 million – and the need of the remaining 7.15 billion human beings on this planet. See: Credit Suisse. *2013 Global Wealth Databook* (80).