Selling War: Russia’s Strategy of Deathonomics

13 AUGUST 2026

Marlene Heine

Selling War: Russia&8217s Strategy of Deathonomics

In early January 2026, a video of Kenyan Francis Ndung’ Ndarua went viral on social media. In the video, Ndarua is seen with an anti-tank mine strapped to his chest. Russian soldiers had ordered him to storm the Ukrainian front line as a human “can-opener” under humiliation, with racist slurs (CNN, 2026). Francis has been missing ever since. His mother learned of his fate as a mercenary soldier through social media. Francis is only one of many recruits lured to the Russian front by the promise of high pay. CNN spoke to a dozen men from Ghana, Kenya, Uganda and Nigeria, reporting that most had been promised civilian jobs, signing bonuses of up to $13,000, monthly salaries of up to $3,500 and Russian citizenship. In reality, all of them were pushed into frontline service with minimal training (CNN, 2026).

Since the full-scale attack on Ukraine in February 2022, Vladimir Putin has step by step converted Russia into a war economy. The rise of what the economist Vladislav Inozemtsev has termed “deathonomics” has produced profound changes not only in the Russian economy but also in its society (Inozemtsev, 2026). Deathonomics describes a system in which soldiers who volunteer for the front receive massive state compensation packages, life insurance and recruitment bonuses. If the soldier is killed, the payments will be transferred to his family. Death at the front thus becomes the most economically efficient means of securing a livelihood for the bereaved. By the end of 2023, military service had become one of the country's highest-paying professions, representing a level not seen in Russia since the late 17th century (Inozemtsev, 2026). Russia is waging the first major war in its modern history without conscription. For this, the Kremlin raised its defence spending by an estimated 30% (Cooper, 2026).

Consequently, the war economy initially even generated growth. High state spending stimulated production and employment; unemployment fell, and regions with defence industries profited in the short term. This artificially induced war boom, however, proved short-lived. (Kluge, 2024). In the long run, Russia's economic stability has become dependent on the continuation of the war effort itself, which is why the argument that a ceasefire could trigger a severe economic contraction – and, with it, a decline in public support for Putin – is widely shared among analysts (Kluge, 2024). At the same time, Putin faces the challenge of recruiting enough volunteers for the front without conscripting large parts of the population, which would force him to debunk the fiction of a "special military operation". To solve both problems at once, the Kremlin introduced in 2022 a strategy of turning death in war financially lucrative for its own population: the death economy.

The system's appeal is greatest in Russia's structurally weak regions, where military pay exceeds local wages many times over (Inozemtsev, 2023, 2026). Its price, however, has risen steadily: by 2025, recruits could expect monthly pay of 200,000–215,000 rubles, signing bonuses of 2–3.5 million rubles and death payments of 12–16 million rubles. This sum represents roughly a fourfold increase in the annual cost of keeping a soldier at the front compared to 2022 (Inozemtsev, 2026; Kluge, 2024).

The prospect of enormous earnings drew particular attention from people without stable employment, indebted and impoverished, as well as criminals with the promise of having their criminal records expunged to the Russian front. In effect, the Kremlin paid these men more than they could have expected to earn over their entire remaining working lives. In addition to injecting considerable funds into the economy, this policy raised wages across most sectors and supported consumer demand (Stockholm Institute of Transition Economics, 2024). In the early phase of the war, the arrangement also defused a political problem that might otherwise have eroded Putin's approval ratings, as the enormous casualties were formally the result of individual free choice and therefore provoked relatively little public outcry.

In turn, this arrangement allowed the Kremlin to portray readiness to die at the state's call as a social value inherent to Russians (Inozemtsev, 2026). After more than four years of war, however, the effectiveness of financial incentives as a recruitment tool appears to be reaching its limits. Total recruitment fell in 2025, as battlefield casualties began to exceed new enlistments (Gould-Davies, 2026). Even the windfall of higher hard-currency revenues is unlikely to reverse this trend, as a marginal increase in benefits will hardly persuade Russians who have already declined generous rewards for four years to enlist now. Moreover, as the partial mobilisation of 2022 demonstrated, coercion produced not a surge in force generation but a large-scale exodus of military-aged men from the country (Gould-Davies, 2026).

Besides that, Putin's calculation did not account for the entrenched tradition of corruption and systematic extortion within the Russian military. Field commanders extort pay from their subordinates, as soldiers must pay bribes to avoid frontline deployments, obtain leave, or be transferred out of the death zone (UK Defence Intelligence, 2024; Royal United Services Institute, 2022). Besides this, due to severe supply shortages, recruits are frequently forced to finance essential equipment such as body armour, medication and even drones out of their own funds, as they ultimately must forgo the higher reimbursement for frontline service to ensure their own safety within the Russian army. Survival at the front has thereby spawned a shadow economy of its own. Researchers have documented commanders sending soldiers on near-suicidal assaults when they refused to pay bribes or complained about corruption in their units (Shymkiv et al., 2026). Moreover, in September 2025, Russia's Investigative Committee alleged that members of the 83rd Guards Air Assault Brigade shot themselves and each other to fraudulently collect over 200 million rubles in state payments, a scheme implicating 35 officers and soldiers (Naylor, 2025). One senior officer, wounded four times and twice decorated, reportedly admitted that none of his injuries came from combat and that he had asked colleagues to shoot him in non-vital areas of his body (Naylor, 2025). Punctual arrests and harsh sentences against high-ranking officers have done little to resolve these structural problems of corruption. Deathonomics has thus generated not only a market for death but also a parallel market for its simulation.

In addition to this domestic approach, Putin has also recruited foreign mercenaries such as Ndarua and other innocent men from other African countries. Furthermore, he concluded a formal alliance with North Korea through the "Comprehensive Strategic Partnership Treaty" in June 2024, which includes a mutual defence clause. A few months later, according to Western intelligence assessments, around 11,000 North Korean soldiers were deployed to Russia's Kursk region. Subsequent rotations have resulted in cumulative deployment figures of up to 15,000 (Park & Smith, 2024). Initially, the deployment was denied by both sides. In late April 2025, after the recapture of Kursk, however, Putin publicly thanked the North Korean soldiers for the first time. According to South Korea's National

Intelligence Service, North Korea had suffered roughly 4,700 casualties by April 2025 (Cheon & Adzkia, 2026; Ukrinform, 2026). By mid-2025, British and South Korean assessments put total casualties at more than 6,000 (Cheon & Adzkia, 2026; Ukrinform, 2026). Pyongyang exploits these losses for domestic propaganda through framing soldiers' deaths as brave self-sacrifice for the nation. In this way, North Korea mirrors the Russian model of promises of compensation to bereaved families. In return for its assistance, North Korea hopes to secure future security guarantees, along with technology transfers and battlefield experience for its armed forces.

The globalisation of deathonomics, however, cannot compensate for domestic exhaustion. Recruitment of foreign mercenaries is unlikely to rise significantly and certainly not enough to make a difference on a battlefield where, since the beginning of the year, Russian casualties of around 30, 000 a month have begun to exceed recruitment rates of roughly 27,000 (Jones & McCabe, 2026). Even the recent oil windfall, in the course of the US attacks on Iran and the resulting higher oil prices and US sanctions relief, eases the strain on the state budget more than it sustains the war itself. Moreover, roubles must still be converted into weapons and soldiers. It is precisely that factor that an economy operating at full capacity can no longer deliver.

In sum, Russia's external recruitment relations can only marginally ease its military-economic dilemmas. This does not mean that Russia is heading for collapse. Military economists rather argue that Russia will face a financial crisis with open inflation, a growing deficit financed at very high interest rates, and a civilian sector sliding into recession — rather than a breakdown of output (Gould-Davies, 2026). Since early July 2026, reports have emerged that China has begun training Russian soldiers, reportedly including in the handling of chemical, biological and nuclear (CBRN) weapons (Chernyshev et al., 2026). Beijing has firmly rejected these allegations. The pattern suggests that while China has an interest in the war's continuation, it remains reluctant to position itself openly as a party to Putin's war. As long as Beijing publicly denies any allegations of military support, it is unlikely that such training reaches a scale or quality that would meaningfully shift the course of the war in Ukraine. If, however, Beijing were to shift from denial to open assistance, the calculus for European policymakers would change accordingly.

References

Bukkvoll, T. (2008). Their hands in the till: Scale and causes of Russian military corruption. Armed Forces & Society, 34(2), 259–275.

Cheon, S., & Adzkia, A. (2026, May 8). Thousands of North Koreans fought for Russia. A memorial hints at the death toll. BBC News. https://www.bbc.com/news/articles/clypr5985ejo

Chernyshev, A., Giesen, C., Grozev, C., Kierst, R., Krüger, P.-A., Röhreke, F., Rosenbach, M., Schmid, F., Weiss, M., & Zeller, A. (2026, July 9). China und Russland: Recherchen zeigen Ausmaß der Militärkooperation. Der Spiegel. https://www.spiegel.de/ausland/china-und-russland-recherchen-zeigen-ausmass-der-militaerkooperation-a-46fa7894-0b2c-411b-ba21-cc7c6b053c3f

CNN (2026, February 4). ‘You escape, or you die’: African men say Russia duped them into fighting in Ukraine. https://www.cnn.com/2026/02/04/africa/russia-african-recruits-military-ukraine-intl-cmd

Cooper, J. (2026). A budget for a fifth year of war: Military spending in Russia’s budget for 2026 (SIPRI Insights on Peace and Security No. 2026/01). Stockholm International Peace Research Institute. https://doi.org/10.55163/BVBD7912

Gould-Davies, N. (2026, May). The coming crisis in Russia’s political economy. International Institute for Strategic Studies. https://www.iiss.org/research-paper/2026/05/the-coming-crisis-in-russias-political-economy/

Hilgenstock, B., Pavytska, Y., & Talalaievskyi, M. (2026). KSE Institute Russia Chartbook, January 2026: Spending cuts keep budget on target; Russian oil prices continue to plunge. Kyiv School of Economics Institute.

Inozemtsev, V. (2026, February 9). Deathonomics: The social, political, and economic costs of war for Russia. Russie.Eurasie.Visions, Ifri. https://www.ifri.org/en/papers/deathonomics-social-political-and-economic-costs-war-russia

Inozemtsev, V. (2026, March 5). Deathonomics 2.0: Why the system is starting to stall. Riddle Russia. https://ridl.io/deathonomics-2-0-why-the-system-is-starting-to-stall/

Jones, S. G., & McCabe, R. (2026, June 30). Russian blood and treasure: The ballooning costs of Putin’s war [Brief]. Center for Strategic and International Studies. https://www.csis.org/analysis/russian-blood-and-treasure-ballooning-costs-putins-war

Naylor, A. (2025, September 12). Putin’s elite troops: Self-harming to save themselves? Center for European Policy Analysis. https://cepa.org/article/putins-elite-troops-self-harming-to-save-themselves/

Shymkiv, K., Mappes, G., Sundstrom, N., & Kagan, F. W. (2026, July 4). Russian offensive campaign assessment, July 4, 2026. Institute for the Study of War. https://understandingwar.org/research/russia-ukraine/russian-offensive-campaign-assessment-july-4-2026/

Kluge, J. (2024, November 29). The Russian economy at a turning point: As the war boom ends, the Kremlin faces growing economic risks (SWP Comment 2024/C 53). Stiftung Wissenschaft und Politik.

Park, J., & Smith, J. (2024, June 18). Putin, Kim agree to develop ‘strategic fortress’ relations, KCNA says. Reuters. https://www.reuters.com/world/asia-pacific/putin-kim-agree-develop-strategic-fortress-relations-kcna-says-2024-06-18/

Re:Russia (2025). From living force to dead: Total expenditure on providing Russia's offensive with manpower amounts to more than 2 trillion roubles in the first half of 2025. https://re-russia.net/en/analytics/0320/

Royal United Services Institute (2022, May 12). Corruption in the Russian armed forces. RUSI Commentary. https://www.rusi.org/explore-our-research/publications/commentary/corruption-russian-armed-forces

Stockholm Institute of Transition Economics (2024). The Russian economy in the fog of war. Stockholm School of Economics.

Ukrinform. (2026, February 14). Seoul intelligence reports about 6,000 North Korean troops killed or wounded in war against Ukraine. https://www.ukrinform.net/rubric-ato/4090891-seoul-intelligence-reports-about-6000-north-korean-troops-killed-or-wounded-in-war-against-ukraine.html