Russian COVID-19 cases rise, as 750,000 join unemployment rolls

By Andrea Peters
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As coronavirus infections continue to rise in Russia and the country’s economic crisis deepens, political disaffection with the government of President Vladimir Putin is growing. On Thursday, the country witnessed its largest one-day increase in diagnosed cases—more than 11,000—bringing the total number of infected to well over 177,000. Recently released data show that joblessness is surging, as popular support for the Kremlin falls to new lows.

Three top government officials—the prime minister, the minister of culture, and the minister of construction—have contracted COVID-19. Outbreaks have also taken hold in Russian orthodox churches and monasteries, where religious leaders falsely claimed that clergymen and parishioners were safe from the disease. On Thursday, Russian mining tycoon Dmitri Bosov, who had a net worth of $1.1 billion, killed himself with a gunshot wound to the head. While his motives remain unclear, an associate close to the oligarch said that recently he began selling off assets, possibly gripped by anxieties over the pandemic and its consequences even as he faced a series of legal challenges to his business operations.

At the Chayanda oil field in Yakutia, over one-third of the 10,500 workers on site have now tested positive for COVID-19, according to the federal Russian Health Ministry. Last week, protests erupted at the Gazprom-run facility, with employees charging management with transforming the workplace into a hotspot by quarantining ill and healthy workers together. The company failed to provide adequate food, masks, protective gear or medical care. Some 8,500 workers have now been evacuated from the oil field, with those remaining required to continue production.

The head of Russia’s atomic energy corporation, Aleksei Likhachev, has also warned that the country’s “nuclear cities,” centers of the industry that were once closed to outsiders, are unable to secure the health of their workforces. The situation in Sarov, Elektrostal, and Desnogorsk is “particularly alarming,” he warned, due to a lack of personal protective equipment (PPE) and ventilators.

In Moscow, the epicenter of Russia’s outbreak, Mayor Sergei Sobyanin reported that there are more than 92,000 official cases, but the real number is likely close to 300,000. Nonetheless, on May 12, the city will reopen industry, manufacturing, and construction, with thousands of workers sent back to their jobs, even as the Sobyanin’s administration tightens other restrictions for the general population.

Medical workers continue to suffer high infection and death rates in Russia, as in other parts of the world. The head physician of one of Moscow’s main clinics died this week due to the virus. Entire hospitals in Saint Petersburg, Moscow, and other cities have been sealed off because of COVID-19 outbreaks among staff and patients. Three doctors involved in fighting the pandemic fell from windows over the last two weeks. Social media posts reveal that health care personnel who complain about the dearth of PPE and other basic resources are threatened with firing.

Despite the unrelenting toll of the disease, the government has unveiled a multi-phased reopening plan for the country as a whole, with the process initiating in some areas this coming Tuesday. It is based on the same profit-driven calculations behind similar moves in countries around the world. The Bank of Russia estimated late this week that due to the six-week-long shutdown of the economy, Russian gross domestic product has contracted by 1.5 to 2 percent.

Joblessness in Russia has risen to 1.234 million, with
an additional 735,000 joining the unemployment rolls just during the period from March to April 2020. Minister of Labor and Social Welfare Anton Kotyakov said Thursday that the real number is likely 3.7 million. It is expected to rise to somewhere between 5 and 6 million by the end of the year. Just 1.8 billion rubles ($24.3 million) has been allocated to fund the additional demand for unemployment benefits. Recipients receive less than $150 a month in support.

In an interview with the online press Gazeta.ru, the pro-rector of the Academy of Finance of the Russian State, Aleksandr Safonov, said that the prediction of 5 million unemployed by the end of 2020 is the “optimistic” scenario. He further stated that the unfolding collapse in earnings will exceed that experienced by ordinary Russians in the 1990s, when capitalism was restored, or the 2008-2009 global economic crisis. Safonov further pointed out that while in the immediate aftermath of the dissolution of the USSR some free social services remained for a period of time—such as day care, for instance—these have since been privatized or monetized. The fall in incomes will have an even more devastating impact than previously experienced.

Echoing the position taken previously by other government officials, Russian Finance Minister Anton Siluanov said this week that the government could not make direct payments to the population. If the Russian ruble served as a world reserve currency, Siluanov said the state could shower money as if from a “helicopter,” but without this it could only help a limited number of particularly needy people. And while the finance minister insisted that the government’s “social obligations, of course, will be completely fulfilled,” he stated that the time frame for moving forward with a whole series of “national projects,” much-vaunted by the Kremlin as a sign of Russian economic prowess and commitment to social wellbeing, will be extended.

Support for the Putin government is eroding, as the coronavirus pandemic exposes the rot in every sector of Russian economic and political life. The Russian president’s approval rating, according to the Levada Center, has fallen to 59 percent, a historic low. The polling agency reports that 33 percent of people have trust in the government.

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