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*Global Health Security:
COVID-19 & Its Impacts*

Russia's Domestic Politics and Foreign Policy

By Chris Cheang

SYNOPSIS

COVID-19 in Russia coincided with the dramatic collapse of oil prices. Nevertheless, President Vladimir Putin remains in control of the country while no immediate change is expected from Russia's current foreign policy stance towards the other major powers.

COMMENTARY

AS OF 10 May 2020, Russia has 209,688 COVID-19 infection cases, 1,915 deaths and 34,306 recovered patients. Moscow and the region it is in — the most populous city and part of the country — account for the largest number of cases. The lockdown announced in late March, initially for a week, was extended twice to 11 May. President Putin noted that “Russia has managed to slow down the spread of the epidemic, but we haven't passed the peak yet”.

Predictably, the lockdown is unpopular. A gradual lifting of the restrictions will begin on 12 May. However, Moscow, the hardest hit, has extended its restrictions to the end of May. Prime Minister Mikhail Mishustin himself fell victim to the virus, informing President Putin on 30 April that he had been tested positive and would go into self-isolation.

Economic impact

The International Monetary Fund (IMF) has estimated that Russia's GDP could contract by 5.5 per cent; however, according to Audit Chamber chief and former

finance minister Alexei Kudrin, GDP might fall as much as 6-8 per cent and unemployment could reach eight million.

Finance Minister Anton Siluanov has stressed that the budget was under increased pressure because of the “double effect” of the pandemic and sharp drop of oil prices. Nevertheless, he was confident about Russia being able to manage the crisis, as the country had “enough reserves to overcome the situation”. Oil and gas account for 65% of Russia's exports and around 30 per cent of its budgetary revenue.

Government's Response

The initial measures taken included restrictions on inbound and outbound traffic from and to China and European countries severely affected by COVID-19; quarantine and observation measures; and restrictions on the export of certain goods such as masks and respirators.

Subsequently, when it became clear that the virus was spreading in the country faster than expected, closure of borders and restrictions on the activities of citizens and the closure of schools, parks, and commercial facilities were introduced.

To deal with the economic impact, the government's support measures total about 2.8 per cent of GDP. These range from additional monthly instalments for families with young children and increased unemployment benefits to the extension of tax deadlines (up to six months) as well as a temporary ban on penalty for overdue debt and a 3-month rent holiday for government properties.

Some Russian economists do not think the current support measures are sufficient; Georgiy Ostapkovich, head of the Centre for Market Studies in the Higher School of Economics in Moscow, is of the view that the government should spend 5-6 per cent of GDP to stop a recession.

Socio-political Impact

President Putin came under criticism for his apparent lackadaisical approach in handling the COVID-19 challenge in its initial stages. He had left the management of the situation to trusted lieutenants like Moscow Mayor Sergei Sobyenin, PM Mishustin and the regional governors. His motivations could either have been his wish to delegate more power and responsibilities to these office holders or not to be associated too closely with a crisis which could have a negative impact on his own popularity.

However, as the pandemic began to assume alarming proportions, Putin quickly took direct control of the situation. He has appeared on live TV via video conference, listening to assessments by various federal and regional officials and then giving instructions on the needed responses. His political position appears not to have been damaged by the pandemic.

He has shown that he is willing to make unpopular but necessary decisions to safeguard the country, including those which affect his political prestige and position. Two examples highlight this point – the postponement of the 22 April 2020 referendum

on constitutional amendments which would enable him to rerun for the presidency when his term ends in 2024, and the 9 May 2020 Victory Parade commemorating the 75th anniversary of Russia's victory over Nazi Germany.

No Alternative to Putin

The latest poll in Moscow shows that 75 per cent of respondents backed the measures introduced so far. More significantly, polls also show that support for the constitutional changes that would extend Putin's term in office until 2036, has risen to 47 per cent in April, compared to 40 per cent in March.

Russia is economically prepared to deal with the high economic cost of the pandemic, with large financial reserves – US\$563 billion and another US\$157 billion in the NWF sovereign wealth fund.

Domestically, there is still no nation-wide leadership alternative to Putin — whether within the ranks of the loyal opposition (in the Duma or Federation Council, the civil service, etc) or non-systemic opposition. Members of his inner circle or the elite would not attempt to replace him, for their close association with him would render them open to political retribution by forces outside the system.

The National Guard led by Viktor Zolotov, an old follower, ensures that any violent internal challenge would be met with an appropriate response. Established in 2016, it reports directly to Putin and is separate from the Armed Forces of Russia.

Foreign Policy Impact

Foreign Minister Sergei Lavrov expectedly called on all countries to put differences aside and pool their efforts to combat the pandemic. The United States was uppermost on his mind — he pointed to a joint statement by Presidents Putin and Donald Trump dedicated to the 75th anniversary of the Elbe Day on 25 April 2020 (US and Soviet forces first met on the Elbe on that day in 1945). This was a clear effort to reduce current tensions with the US.

Russia is keen on an extension of the New START Treaty (a nuclear weapons' reduction and limitation agreement) which expires in 2021 while the US has not shown the same level of enthusiasm. Reports of limited Russian assistance to Italy and the US in March and early April were met with scepticism. These actions were also part of Russia's actions to strengthen overall ties with the West.

To balance relations with China, Putin has assured Chinese President Xi Jinping of Russia's support in the face of US criticism, during their phone conversation on 16 April. Putin reportedly said that attempts to blame China on the origin of the coronavirus were unacceptable.

President Donald Trump's announcement on 14 April of the US' suspension of funding for the World Health Organisation (WHO), alleging that it had mismanaged and covered-up the virus' spread, predictably did not meet with Russia's approval. The Russian Foreign Ministry spokesperson, Maria Zakharova, expressed Russia's support for the "WHO's leadership to combat the coronavirus".

The skilful manoeuvre by Russia on the way WHO's activities can go forward may bring a reprieve in the tense atmosphere in pandemic management at the international body. Overall, however, Russia has yet to play an active role in multilateral cooperation against the pandemic.

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