

On the Special Feature : The Russian Economy through the Prism of the COVID-19 Pandemic

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As of September 2021, with 7.5 million cases and a death toll exceeding two hundred thousand, Russia ranks fifth globally in the severity of the pandemic outbreak. The infection-related excess death is estimated to exceed six hundred thousand people. Since the summer of 2021, Russia has entered the third wave of the pandemic, which can be considered most serious since the outbreak, keeping up a pace of more than twenty thousand new infections and seven hundred death per day for about three months. The Russian government develops domestic vaccines and pursues the national vaccination program to prevent the pandemic. However, insufficient supply of vaccines coupled with public distrust has hampered the program and slowed vaccination rates. The Russian government is not opting for restriction measures such as lockdown, in contradiction to the fact that Russia is facing a very severe pandemic, and the government is active in promoting vaccination. This situation is surprising given the fact pandemic-related death will undoubtedly increase without restrictions. It implies that the Russian leadership may prioritize keeping the economy working without interruption over reducing the life-threatening risk. At the same time, the Russian people are firmly against the restrictive measures nor opting for vaccination, potentially putting themselves at risk of infections and death. This way, the pandemic etches the shapes of the Russian society, the state, its people, and their relationship. In light of this situation, this special issue contains four papers discussing various and fundamental aspects through the prism of the COVID-19 pandemic to deepen the understanding of the Russian economy.

In the first paper titled “State Support for ‘System-forming Enterprises’ during Economic Crises under the Putin Administration,” Yuko Adachi, professor at Sophia University, studies the government’s role in tackling the COVID-19 pandemic. The Russian government composes lists of companies which come under the state support in times of crises. The companies includ-

ed in the lists are ones with national importance. Professor Adachi describes the characteristics of the lists and compares the recent list for the pandemic shock with those of the past to clarify the current relationship between the state and companies under the Putin administration.

In the second paper titled “COVID-19 Pandemic and Migrant Workers in Russia,” Norio Horie, professor at the Center for Far Eastern Studies, University of Toyama, deals with the labor shortage issues during the pandemic. The quarantine of coronavirus infection necessitates the closure of land borders, which causes noticeable interruption to the foreign labor supply from neighboring countries on the one hand, and generates illegal immigrants that cannot return to their home countries on the other hand. Professor Horie, who sheds light on a Far East agriculture sector that is heavily dependent on Chinese workers, discusses how critical the foreign migrant workers are for the Russian economy and how the pandemic affects the economy.

In the third paper titled “Economic Activities and COVID-19 Pandemic in Russia,” Ichiro Iwasaki, professor at the Institute of Economic Research, Hitotsubashi University, examines how economic activities shape the spread of the COVID-19 infections. Russia is among the few countries that do not restrict economic activities for quarantine reasons, which provides a unique opportunity for empirically studying the relationship between them. Analysis using panel data at the level of the federal subject leads to the policy implication that economic activities that involve more of the general public result in the spread of infection.

In the final paper titled “Russian Far East Special Economic Zones in the Face of the COVID-19 Pandemic: Resident Companies Moving In and Out,” I describe the Far East special economic zones’ current situation during the pandemic. Descriptive analysis using firm-level data explains how the pandemic affects moving in and out of companies in the zones.