

The basic income in Russia - are you serious?

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Putin implements "children's emergency basic income" and "children's helicopter money".

Russia is one of the few countries in the territory of the former USSR that intends to realize large-scale direct cash payments for children in order to support the COVID-19 pandemic. The president of Russia said about this in his fourth address to the Russians on May 11, 2020. It was about the intention to make a one-time payment of 10,000 rubles (approx \$133) for each child from 3 to 15 years old, regardless of family income level without any formal criteria, it can be obtained from June 1, 2020. Also from April (retroactively) to June they must pay 5,000 rubles (approx \$67) per each child per month to all Russian families with children under the age of three years. According to Putin, 27 million Russian children will receive such support. Russia remained the only G20 country that refused direct cash payments to help the population affected by COVID-19. Despite public appeals and numerous petitions.

Obviously, the amount of support is scanty and unworthy of our great and rich country. When it comes to the need to improve the welfare of Russians, the authorities forget about patriotism and pride in the country. The amount and volume of helping is negligible compared to helping people in the United States, Europe, Asia, and even in small countries. And also against the backdrop of a huge military budget and propaganda, fantastic personal incomes of officials, inefficient state projects, large-scale corruption and a record number of dollar billionaires in Russia. Even 5% of this money would be enough to pay guaranteed income of \$500 per month to every Russian citizen, including migrants, until the end of the pandemic and economic recovery.

But even this little money can be the first step in building a new social security system.

Today, Russia is in 2nd place in the world in terms of the number of infected. The country's authorities did not implement an emergency regime, using the hybrid regime "quarantine without money" regime: vacations and mandatory self-isolation. Therefore, under Russian law, the president and the government may not provide helping to the population, which causes growing discontent among Russians.

It is noteworthy that the restrictive measures - the "vacations" - were announced on March 28 in the conditions of an unusually low official incidence - 1,264 infected, 4 dead across the country (for example in Italy, Spain and even in the state of New York, it was introduced with more than 7,000 cases and hundreds of deaths).

On May 11, at the official peak of the disease (a record of 11,600 infected, 221,300 infected in the country 1,179 deaths), the president Putin announced the end of the strange "vacations", after which, as ordered, the number of infected people began to decline every day. Official mortality is so low that it raises doubts not only in the country, but throughout the world. Official statistics in Russia is a mysterious science that is sensitive to the opinion of the authorities. In the end, the president shifted responsibility to the governors to exit from the hybrid regime of self-isolation, removing the "power vertical" from responsibility.

According to the agency Fitch, in October 2019, almost 10 million Russians were in a position close to slavish, giving more than 80% of their income to the bank to pay the loans.

This is 25% of the army of borrowers, numbering 39.5 million people (estimated by the Central Bank of Russia). Today, Russians are rapidly impoverished: at least 8 million people lost their jobs during the general "vacations", the incomes fell nearly in 90% of the population, more than 50% of the population began to save on food (estimated by the Central Bank of Russia).

Since the announcement of "quarantine without money," the Russian president has spoken 4 times, each time announcing new measures to "support" business and the population. Each time, of his

promises, at best, 10% of the promises were realized: the government and banks did everything so that neither business nor the population received anything. Deferment of taxes, loans, interest-free loans, etc. are limited to such conditions that to use this "help" or it makes no sense or there is no physical opportunity.

So, even the Minister of economic development, by banks were denied in loans at 0% per annum for the payment of salaries to employees for business. Some entrepreneurs complained that in order to get the same loan from Sberbank for employees' salaries in the amount of 1 minimum wage per person (12,130 rubles), Sberbank required 32 documents. Due to the lack of the emergency regime, a business cannot demand a lower rental rate. Therefore, even in idle conditions, some entrepreneurs fully pay rent. Benefits and subsidies can only be given to sectors affected by the pandemic, the rest are left without support. The list of state support included bookmakers and microfinance organizations lending at 700% per annum to the population. In addition, it is not clear when most enterprises will return to normal operation. According to a study by the Center for Strategic Research, 32% of the country's enterprises plan to initiate bankruptcy, 68% think about it. The risks of the non-payments crisis and bank failures are growing.

Obtaining a deferral of credit at a bank for citizens is an impossible task: it is need to prove documented a 30% drop in your income, these certificates cannot be obtained with non-working enterprises.

The medical staff never received the money promised by Putin for working with the coronavirus: they got a penny because of the nuances of the calculations "minute by minute" - from 1% to 10% of the promised amount.

Both the president Putin and officials unanimously call doctors heroes, offer to establish special awards to those who saved people from the coronavirus. However, in reality, medical workers are almost with "the fight" try to get premiums for hazardous work. They promised these bonuses as early as April 8, but many still have not seen the money. Officials calculate the time "per minutes" spent by doctors working with patients; in most regions, officials use by vagues wording so as not to pay money to doctors. Particularly affected by this are ambulance staff and clinics, where it is not always clear whether you worked with an infected patient or not. Vladimir Putin is aware about the payment problems. So far, he has assured that the money has been precisely sent to the regions, and instructed officials to transfer it to doctors' cards till May 15. But few people believe this.

In April and May, Russian banks began to refuse loans to Russians on a massive scale: the level of approval by banks of applications for loans to individuals in April fell 1.9 times relative to the same month last year, according to statistics from the National Bureau of Credit Histories (NBCH). Only every fifth (20.7%) request of citizens to banks was satisfied. This is a historical minimum.

Women are particularly hard hit in Russia: the NAFI analytical center with the support of Google found that now 54% of the population (78.8 million) are women, they are less involved in the economy than men. The employment rate for women from 15 to 72 years old is only 60%. In Russia, women earn 28% less than men with the same qualifications.

Illegal migrants, forced to live in special detention centers, actually they are rightless of existence. They have nothing to lose. In Moscow alone, more than 1.5 million migrants lost their jobs (RANHIS study), they were unable to leave for their homeland. A huge stratum of people has been formed, forced to seek food and shelter, cut off from medical and social assistance, with a high risk of infection with COVID-19.

In Russia, at the beginning of 2020, about 25% of children lived in poverty, even according to official figures. There are no exact numbers, as always. This helping can cost from 500 to 700 billion rubles. The issuance of benefits will take 1-1,5 month and will create a feeling of broad support measures for the period of exit from the regime of self-isolation. Perhaps these measures will be reason of widespread indignations and a source of infections due to the bureaucratization of the process and many additional conditions. The government already detailed the procedure for issuing "children's" money: only 4 out of 402 banks affiliated with the authorities were admitted to this work; the payment is due to the Russians living in the country; the child must also have Russian citizenship; Sberbank card must be "fresh" (for example, a working, but outdated card does not fit - it contains 18 digits and

is valid until 06.2020); it is necessary to have SNILS for children who are given presidential benefits (it needs to be received only personally in the Pension Fund of Russia, so in many cities queues and crowds of parents have formed, the police were dispersed them) and so on.

Appear also many questions to the authorities: why such insignificant amounts of assistance? Was it not possible to take these measures in March-April, as in other countries and as the society demanded? Why is such a gradation of children 0-3 years old, 3-15 years old? After 15 years, children do not eat or dress? Parents do not need to help?

The common misfortune for the whole world is an occasion to compare the actions of their government with others. This is natural and correct. Therefore, many Russians are perplexed and angry: why do the authorities of Europe, the USA, Asia and others countries help their citizens, and the Russians do not? Why does the average European, American, Japanese need a financial assistance and for the benefit, but the Russians do not.

In the 21st century, Russia has many taboo words. One of them is basic income, guaranteed income, civilian income. Russian authorities and president Putin know about basic income (Hi Peter T. Knight!). But there is no wide discussion, the name "guaranteed income" is not pronounced by Russian officials in conditions of vertical of power. This concept is not there. Recognizing it, they need to go further, for which the authorities are not ready. When we discuss our initiatives with officials, businessmen and politicians, many people directly say: without the direct instructions of the president or government, they are not ready to implement a pilot project on guaranteed income. It's not even about the money. They fear that any direct cash payments may be regarded by the leadership as opposition, uncoordinated political activity, an application for leadership or open separatism. It can't be otherwise in the condition of a rigid vertical of power in an authoritarian state.

Therefore, until Putin voiced his initiatives, his surrounding sharply and categorically opposed direct cash payments (any money distribution, including helicopter money) to the population. Arguments were expressed the most unbelievable: there is no economic feasibility (the head of the Central Bank of Russia), the budget will not stand (the mayor of Moscow), the Russian ruble is not a reserve world currency (the head of the ministry of finance), it is necessary to give the strongest (propagandists), helicopter money which was distributed in the West will not bring any benefits people (head of the State Duma) and so on. Now the situation has changed dramatically and these same people will argue the opposite.

Obviously, the adoption of a principled decision on direct cash payments is a consequence of a political decision by the authorities related to a sharp drop in the president's rating and the need for popular approval of dubious changes to the country's constitution. Some analysts predicted this political move. Depending on the political situation, the authorities possibly prolong or increase the amount and terms of direct cash payments, increase the composition and number of beneficiaries. It will be good and right, will benefit the Russians. This will positively affect the political ratings of the authorities, since the pilot in Finland has convincingly proved an increase in confidence to the authorities during the implementation of guaranteed basic income.

Drawing parallels between the starting pilot project 2019, implemented by the Social movement "Basic income Russia Tomorrow" and the latest initiatives of the president of Russia 2020, one cannot help but notice the same deadline for the start of payments (April-May), the amount of 5,000 rubles per month per family (child), the payment period during 3 months. The president needed to add a survey of beneficiaries, attract Russian and foreign sociologists and it would be a pilot project at the state level. It would be good to increase the amount and terms - after all, the president of Russia has more opportunities than ours.

Without any doubt, we approve and support the decision of Vladimir Vladimirovich to start direct cash payments to the Russians and believe that we are acting as a team. The pilot project is expanding to several million participants, albeit without a scientific component. Its practical implementation and real benefits to people are very important. And the strange coincidence of payment parameters inspires us and makes us think about plagiarism (joke!).

We hope that officials, oligarchs, businessmen and politicians will support this humane initiative of president Putin and contribute.

The immediate plans of our organizations include getting started with crowdfunding venues in Europe and the USA that to raise funds for expanding the start pilot. In Russia, urgent help is needed for the most vulnerable categories of the population: mothers with many children, people with disabilities, doctors, students, people of art. Other countries of the former USSR and Eastern Europe would have a good example of a humanistic social state.

We will also continue to work with officials, businessmen and politicians in Russia to prepare a large-scale pilot project from 1,000 people.

We are sure that the realization of guaranteed basic income in the countries of the former USSR is both more difficult and easier. The difficulty is that everyone is afraid to take the initiative, they are waiting for instructions from the leader himself (the big boss) and only his orders are carried out. Initiative, uncoordinated actions, actions without an order can be regarded as disobedience or opposition. The ease is that if the leader (the big boss) decided to implement the idea of direct cash payments, for example, the idea will be implemented quickly and generally correctly. This is how a bright future can come for Russia - on orders and suddenly.