



AMERICAN FOREIGN  
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RUSSIA REFORM MONITOR

The American Foreign Policy Council's Review of  
Russian Government Actions and U.S. Policy

# Russia Reform Monitor No. 2505

January 14, 2022 **Ilan I. Berman**

**Related Categories:** Energy Security; Human Rights and Humanitarian Issues; SPACE; Russia

## **RUSSIA'S HIDDEN CRISIS: HOMELESSNESS**

Officially, authorities in Moscow maintain that there are only some 60,000 homeless in Russia. However, the true figure is believed to be "vastly" higher, with the country suffering from a significant homelessness crisis. Paul Goble, citing Russian analysts, suggests that the true figure of homelessness "is much larger, at least 1.5 million and perhaps as much as eight million" - equivalent to more than one in twenty Russians.

"Russian officials are lowballing the numbers so that they can avoid taking responsibility which is already harming the country's population because the absence of a program to address the issue means that businesses can exploit the homeless, often reducing them to the position of virtual slavery," notes Goble in his *Window on Eurasia* blog. "Moscow is also avoiding taking any action because of public opposition to the opening of any refuges for the homeless at least in major cities, and so at present there seem few prospects that the country will address a problem that most people prefer to ignore." As a result, Russia's homelessness problem continues to fester. (*Window on Eurasia*, January 2, 2022)

## **NEXT STOP, THE MOON**

Moscow and Beijing are eyeing the stars, together. Russia and China have announced plans to jointly establish a base on the Moon by the year 2027. The project, known as the International Lunar Research Station, is designed to contain a number of experimental research facilities. The project is being seen as a Russo-Chinese reaction to both countries being excluded from the U.S.-led "Artemis Accords," an American-led international effort to return humans to the Moon by 2024. China has been barred from cooperation with NASA without Congressional approval, while Russia has rejected the Accords as being too American-driven. (*Asia Times*, January 3, 2022)

## **NATURAL GAS FOR FOREIGN INFLUENCE, NOT DOMESTIC CONSUMPTION**

The Russian Federation is an energy superpower, and has wielded commodities like natural gas as a weapon in its dealings with Europe. But even as the Kremlin is increasing its energy clout in the West, Russia's own regions remain disconnected from the national gas grid - and struggling to stay warm. "Only 11 of Russia's 83 administrative regions are fully connected to the gas pipeline network," reports the *Financial Times*. "About a third of settlements are not connected. In the vast Siberian federal district, with 17m residents just 17 per cent of settlements have access to piped gas."

Without such access, places like Chita are forced to rely on coal powered stations to provide heat to the city center, while suburban homes use wood-burning furnaces and stoves. Nor is this situation likely to change any time soon; state natural gas giant GAZPROM has pledged to build more local pipelines over the next decade, but analysts say that the company's decisions about which and how many new energy routes to build within the country will overwhelmingly be driven by economic considerations. (*Financial Times*, January 3, 2022)

## **RUSSIA'S ECONOMY IS HEADED BACK TO THE FUTURE**

Just how healthy is Russia's economy? Amid ongoing tensions with the West over their government's military buildup vis-a-vis Ukraine, Russian officials have waxed optimistic about their country's economic prospects, and minimized the potential impact of any sanctions that might be levied by the United States or Europe. The true state of affairs, however, appears to be considerably grimmer. This year, notes *The Moscow Times*, Russia is on track to resume "its pre-coronavirus pattern of sluggish growth, weak investment and underwhelming living standards in 2022... as the Kremlin re-embraces austerity after the initial impact of the Covid-19 pandemic."

The reason, experts say, has to do with the fiscal strategy adopted by the Russian government over the past two years - an approach that has colloquially been termed "Fortress Russia." While other countries have adapted their economies by overhauling policies, shifting priorities or launching new projects, Russia has attempted to go back to a "business-as-usual" approach that prioritizes stability over growth. "The authorities learned that their policy has worked — as far as they're concerned," explains Elina Ribakova of the Institute of International Finance. "Now, they are very focused on the macroeconomic situation, stability and their conservative policies. In turn, they've somewhat given up on regional policies and the policies of providing better quality services to people." (*The Moscow Times*, January 4, 2022)