

Russia prepares health care cuts as COVID cases rise

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As COVID-19 cases once again rise in Russia, the federal government is preparing to cut health care expenditures. On Wednesday, the Kremlin sent a proposed 2021-23 budget to the Russian parliament that will ax spending on the medical system by 162 billion rubles (\$2 billion) by the end of the fiscal cycle. The news comes as daily new confirmed coronavirus infections have nearly doubled in comparison to August lows of below 5,000. On Friday, Russia added another 9,412 infections to its almost 1.2 million total. At least 21,000 people have died from the illness.

Starting next year, health care spending will fall to 1.13 trillion rubles (\$14.5 billion), down about \$2 billion from this year's COVID-crisis high. By 2023, expenditures will drop somewhat further to 1.1 trillion rubles. In contrast, the state security services will have an annual budget of nearly 6 trillion rubles (\$76 billion).

Bearing in mind that Russia's medical facilities found themselves woefully lacking the necessary equipment, gear, and personnel when coronavirus initially hit in the spring, and that medical needs will only grow due to the pandemic, the proposed cuts are a brazen assault on the population's life chances.

Health care personnel in particular are targeted in the new budget, with expenditures on "Development of human resources in health care" set to fall by 15 percent. Russia's doctors, nurses, emergency medical technicians and other providers—whose salaries often amount to just a few hundred dollars a month—will see further wage cuts and increased workloads.

Many of these workers have never seen promised bonuses for their work on the front lines this past spring and summer. Thousands of medical providers labored under deplorable conditions to treat patients and stem the spread of the infection, with many contracting the

disease themselves and hundreds dying.

The effect of the cuts in federal-level health care spending will be intensified by reduced expenditures at the regional level. In order to close its budget shortfall and sustain an increase in financing for the security services, Moscow plans to reduce the amount of money it transfers to provincial governments. Local bodies, which are already suffering major shortfalls because of the economic fallout of the pandemic, will in turn have to impose cuts of their own.

In St. Petersburg, Russia's second largest metropolitan center, local-level health care spending is being axed, with salaries and medical supplies being the central targets. The city, which is facing \$1.3 billion in lost revenues due to the COVID shutdown earlier this year, is pulling \$1.2 million in funding from its leading institute for research and treatment of the coronavirus, the Botkin Infectious Disease Hospital.

These measures are being implemented as cases spike, with the reproduction rate of the infection now exceeding 1. By late September, just 6 percent of St. Petersburg's hospital beds for COVID-19 patients were available, and medical centers have once again been scrambling to convert wards to handle the influx of "second-wave" patients.

While health care workers report that they are more prepared now than previously because of a greater supply of personal protective equipment (PPE), the city's health care facilities have been crippled by years of massive cuts implemented as part of the "optimization" of Russia's medical system, which has meant the shuttering of facilities. Between 2000 and 2015, the number of hospitals in the country decreased by well over 10,000. Over the last several years, there have been ongoing protests by medical workers against the so-called "reform" of the health care system.

The far-eastern island of Sakhalin, off Russia's Pacific coast, also just announced major cuts in government spending in medicine, welfare, education and energy. Authorities in the region, where the monthly median wage is about 57,000 rubles (\$740), will ax 435 million rubles (\$5.5 million) from health care alone.

The assault on the Russian working class' living standards is not restricted to federal drawdowns in health care spending. In the new Kremlin budget, set-asides for families with children are also being cut, as are expenditures on household utilities and support for new mothers.

These measures are being implemented as millions of households struggle with wage cuts and job losses stemming from the COVID-19 pandemic. According to a recent study by the Higher School of Economics in Moscow, the size of Russia's middle class has shrunk dramatically over the course of the year, with another 6.1 percent of working people entering the ranks of the poor.

The Russian ruling class knows that these conditions are setting the stage of major social conflicts. By the end of the new budgetary cycle, the financing and supply of the army, national guard and security forces of the interior ministry will account for 27 percent of all federal expenditures.



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