



Letter from Moscow

Situation report after 6 months of war.

Peter Hanseler

Wed 28 Sep 2022

What is the situation in Russia after six months of military conflict in Ukraine and an economic war waged by the West against Russia? Life has not changed much despite the economic sanctions. I can speak for Moscow, and I talk to people I know in Tula, Saint Petersburg and Siberia.

The shelves in the shops are full. I do my own shopping twice a week, in shops where the average person shops. Western products have become more expensive, but due to parallel imports they are practically all available without any problems; not only in Moscow, but everywhere, since almost everything in Russia can be ordered via the internet.

Younger people are pro-Putin

The prices in the shops are slowly dropping again. The week before last, the Russian central bank lowered the key interest rate by another 0.5 per cent to 7.5 per cent. This is due to the decline in inflation, which is now just under 12 per cent. According to statements by the Russian central bank president Elvira Nabiullina last week, inflation should move towards 6 per cent in 2023.

The central bank president said that the economic situation had developed better than she had assumed. The import-export situation is adapting to the new realities, which is progressing slowly but steadily. Furthermore, the rouble has not only recovered from the initial turbulence, but is also at its highest level in eight years, for example against the euro. Against the euro, the rouble is significantly stronger than it was the day before the invasion of Ukraine. As Russia's currency is becoming more established in trade with Asian countries, this development is sustainable. The people I deal with belong to the middle class, are mostly well-educated, multilingual, and they follow the Western media. This is possible without any problems, by the way, while Russian sources are blocked in the so-called liberal West. The Russophobia that has spread in the Western media does not go unnoticed here, but it does not lead to feelings of hatred among Russians, but rather to speechlessness, because they do not understand that in the West no distinction can be made between politics and people.

Russophobia does not lead to feelings of hatred among Russians, but rather to speechlessness.

The EU's visa restrictions are the best proof of this sanction fever with regard to everything Russian, and of course Switzerland is also adopting this tel quel.

My friends, acquaintances and relatives are between thirty and 95 years old. The younger ones, who were the most critical of President Putin, now view the West with more suspicion than before, when everything Western was good and cool for them. The generation that has consciously experienced Russia's extremely positive development under President Putin in their own lives is in the vast majority pro-Putin - that is the main majority of the working population. The old and the very old, who lived through the Second World War or even participated in it, are rocks in the surf of this society and have great influence in their families.

If one compares the negative influences now caused by the sanctions with the collapse of 1998, when the entire financial and social structures collapsed and a storm swept through the country, one must describe today's situation rather as a

mild breeze. In addition, there is the resilience of the Russian soul. Overall, the majority of Russians are behind President Putin: the Western sanctions fever has rather strengthened this tendency.

Russian energy as a trump card

Moreover, the countries that sanction Russia account for only 15 percent of the world's population. Thus, the governments of 85 percent of the world's population do not oppose Russia and are, among other things, active consumers of Russian energy.

The announcement of referendums in four regions and the partial mobilisation will not change the mood in the long term. On the day the partial mobilisation was ordered, there was uncertainty, and some reservists tried to abscond to foreign countries. This has always been the case; also in the USA, when even later presidents shirked their duty during the Vietnam War.

The referendums are called sham referendums in the West. I don't see it that way, because for Putin, areas whose people don't want to belong to Russia are problematic.

ARTICLE TAGS:

Analysis Russia Weltwoche Nabiullina, Elvira Putin, Vladimir Central Bank of Russia (CBR)