The unbearable heaviness of being

For years, “Putin’s consensus” - famous throughout Russia - has not only been propped up by relatively decent living standards ensured by the existing authorities, but also by the quality of life characterized by respect for the “private space” of the majority of Russians, among others. Obviously, those who dream of a “Russia without Putin” do not enjoy such privilege. However, economic and personal freedoms have been the most important basis of life for those who prefer to keep their distance from politics.

The situation has changed dramatically in several ways over the last few years. The authorities increasingly encroach on the “terrain of freedom” with new non-political constraints. In my opinion, the continuation of such a policy is fraught with even more dangerous consequences than a general decline in living standards, or refraining from indexing pensions and civil servant salaries.

For example, consider the situation regarding debtor’s rights. More than 38 million people have bank loans in Russia. According to the Central Bank of Russia, the total value of which is 10.5 trillion rubles. Of this amount, 891 billion is owed in respect to loans with overdue repayments outstanding. This is a serious problem faced by the majority of developed countries. However, I believe that none of those countries adopt such a rigid approach as Russia does. A law which limits a debtor’s constitutional right to freely travel outside Russia has been in operation since 2007. It is difficult to imagine that a large proportion of non-payers or those who have not paid off their installment plans would choose to say good-bye to their country for ever in order to avoid paying back a few hundred dollars or euros. But the fact of the matter is that nearly 2 million citizens are being deprived of their right to leave Russia. Moreover, their number has increased by 392,000 citizens (analysts from the debt collection agency “Sequoia Credit Consolidation” predict an increase in the total number to 4.5 million people in 2017) in the first five months of this year. Moscow, and the Moscow Oblast alone, are home to nearly 550,000 “blacklisted” Russians - almost 4% of the adult population of these regions.

However, the authorities do not stop there. A law which allows the limiting of a debtor’s right to drive a car came into force on January 15, 2016. Just imagine if such a measure was suggested in the USA and envisage the political future of the Congressman or Senator who risked proposing that such a bill be read in Congress.

In general, the problem of travelling abroad (the right to which is guaranteed by Article 27 of the Constitution of the Russian Federation and a number of international acts signed by Russia) is not only felt acutely by debtors but by civil servants, too: more than 1.5 million law enforcement officers have in fact been deprived of this right since 2014. These restrictions refer to law enforcement officers regardless of whether they have access to state secrets or not. “Security professionals” conduct interviews with students who attend conferences abroad on a larger scale. Thus, one can deduce that new restrictions will be introduced in this area, too. Hence, up to 4 million citizens are already being deprived of their rights to freedom of movement.

Another factor that is beginning to irritate citizens – primarily in large cities – is the growing number of new types of fines. They are especially numerous in relation to driving offences. The authorities have invested in video surveillance infrastructure and the improvement of paid parking facilities and are now starting to collect “tributes”. The fine for unpaid and/or improper parking is 3,000 rubles – approximately 41 euros in “federal cities”. Vehicle recovery costs 5,000 rubles or more. To compare, the standard fine for such an offence in Berlin is 10 euros and 11 euros in Paris, although personal income of a Berliner or Parisian is 3.2 times higher
than that of a Muscovite on average at the current exchange rate. The balance owed on an unpaid fine increases 50-100% one month after a judge’s decision. In some cases, one can be sentenced to administrative arrest of up to 15 days for non-payment (which is not used as a punishment for unpaid fines in any European country). All of this also applies to speeding fines, for example. Speeding offences are now being recorded by video cameras and it is in fact impossible to challenge the imposition of a fine. Finally, parking, which does not exceed the cost of one trip on public transport per hour in the majority of European countries, is 2.6-fold higher in downtown Moscow. The cost of downtown parking for one car for 8 hours a day is equal to 75% of the official average salary of a Muscovite. There is an unambiguous impression that the authorities are terrorizing the most independent and relatively affluent element of the population – the very “middle class” that has been the major beneficiary of Russia’s economic growth which has been the basis for the Putin regime for many years.

The new haphazard style related to bank accounts opened by citizens abroad is also noteworthy. One is able to understand it when we are talking about notorious “de-offshoreism” – as a rule, victims of the majority of such stories turn out to be honest and decent people such as Sergey Roldugin. However, laws have undergone significant changes recently. On July 1 of this year, the deadline for declaring accounts held abroad will pass. After the deadline, the holding of a foreign account will be considered a violation of the law. It is telling that this has been implemented six months prior to the establishment, by Russia and the European Union, of a system of automatic mutual notification of tax authorities about such accounts held in their banks, set to enter into force on January 1, 2017. From that moment on, citizens can expect a “fine” equal to 100% of the account’s balance for using a foreign account. However, it is not clear which day’s balance will be used to calculate the penalty, which makes the issue even more confusing.

Note that Russian citizens have more than 700,000 properties registered in Europe. These are mainly affordable apartments and condominiums in tourist hotspots. In order to maintain any one of these estates, it is almost certain that a foreign bank account is required to pay for amenities and taxes. Approximately 80,000 - 100,000 Russian students study in EU countries - they also have accounts there. And many of our compatriots live there. Therefore, this measure will affect at least 2 million people. Moreover, the status of a Russian tax resident is to change, which is important. Earlier, an individual was not considered a tax resident of the Russian Federation should she spend more than half of the year abroad. She can reside outside Russia permanently now, but she will still be a Russian tax resident should she possess property in Russia. In other words, should you have a wrecked GAZ-21 somewhere in your garage in Uryupinsk (like Putin does) but live on a permanent basis in Belgium and have an account with a 200 euros balance, you have no guarantee that this money will not belong to the Russian government as of 2017 - or, at least, that the government will not claim the right to it.

One can enumerate creative innovations of recent days for a long time, starting with the increased cadastral value of land and real estate which is above the market value - against the backdrop of the crisis - up to the requirement that sole proprietors need to have a twice as much in their account as they owe in tax on the day the tax payment is due. Still, it is obvious that the authorities are attacking the middle class with confidence. This is the layer of 10-15 million citizens who have managed to achieve something in contemporary Russia and who have been, and still are, in the most active stratum of society. Still, the government continues to do much more for public-sector employees and pensioners. It seeks to prevent social and economic unrest in industrial towns and regions the French would refer to as défavorisé. It does not reduce funding for a number of social programs. However, as history has shown, old ladies and public servants hardly ever save power elites from revolutions or Maidans initiated by independent and responsible citizens, considered enemies by the Putin regime. The regime is so deluded that even the unbearable heaviness of being will not turn them into revolutionaries...

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