

# **Russian Energy Giant Proposes to Abandon Small Towns**

news

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Many small towns in modern Russia are in a state of decline and are close to extinction. Engineering infrastructure is degrading, and hospitals, schools, and cultural centers are closing [1]. This contributes to a decline in living standards and a large outflow of the population, especially the able-bodied.

Business representatives discussed this problem and possible solutions at the construction forum in Yekaterinburg on October 2. However, Ilya Kozlov, the First Deputy Director-General of Gazprom Invest (a subsidiary of Gazprom responsible for managing investment projects related to natural gas production, infrastructure, and development within Russia), interrupted these discussions, claiming that it is simply unprofitable to support small towns and that they should instead just be allowed to die [2]. Instead of supporting small towns, it is necessary to develop a large agglomeration with a higher concentration of population, making production more profitable.

One of the main problems of small towns is the outmigration of the population and the consequent lack of qualified personnel. Young people leave for the larger cities to study and work. This is only natural, due to the difference in the level of salaries in large and small cities. Thus, according to the Moscow State Statistics Service, in early 2023 the average monthly salary of Moscow residents was 127.9 thousand rubles [3]. For instance, the average salary in Buryatia (a largely rural republic within the Russian interior), according to the local statistical body, in 2023 amounted to 59 thousand rubles, that is, 2 times less than in Moscow [4]. This wage gap is sometimes narrowed by relatively high salaries in industries like mining.

If we compare the pay of teachers, who are needed in any town, in Moscow their average salary as of July 2023 amounted to 144 thousand rubles (\$1,440.04), according to RBC (a major Russian media group), but it is not specified how many extra hours Moscow teachers are forced to work overtime to get such an income. Meanwhile, in the Krasnoyarsk region, many teaching vacancies in August 2023 offered a salary of less than 30 thousand rubles (\$300). The difference compared to Moscow is almost 4 times. Therefore, many specialists from small towns prefer to go to the capital to earn money. But even with the higher wages there - still far above what they would earn in their region - it is almost impossible for them to become homeowners.

After all, according to experts, for mortgage approval in Moscow, a person's salary should be at least 233 thousand rubles (\$2 330), which is almost 2 times higher than the average in the city [7]. Therefore, young professionals are forced to rent apartments, and the rent is also growing. On average, rent for housing is around 110 thousand rubles (\$1100) [8]. Therefore, those who want to save up money in Moscow have to rent apartments with multiple roommates at once and live in cramped conditions. They spend most of their time working, hoping to get rich enough to get a mortgage at least in their region. A similar picture to the one in the Russian Empire, when peasants went for seasonal work far away from home because they could not pay the landowner's tax. Contemporary Russia is brilliantly reviving such traditions.

Relative population growth from this internal migration in large cities, especially in Moscow, has a negative impact on the city environment and transportation accessibility, multistory complexes under construction create a huge load on the infrastructure [9]. The standard of living of the residents of megapolises is

constantly falling, and they are literally crammed more and more into their own city. It sounds absurd because of the size of Russia and the huge number of small settlements that allow for a quiet and comfortable life in good environmental conditions, without traffic jams. Parents would not be afraid to let their children play outside on well-kept playgrounds without worrying about cars on the lawns. In the past, housing estates were actively developed, cultural facilities were built, and young people moved there. What has changed?

The problem of small towns in Russia has been relevant since the collapse of the USSR. In the Soviet Union, many cities were created in places where raw materials were extracted and processed. They also served as transportation hubs and scientific centers. The socialist state provided residents with all the necessary infrastructure: there were hospitals, children's art centers, cultural venues, sports complexes, and theaters. Everything necessary for a full life was provided: education of children, self-development, and interesting and useful leisure. When the Soviet state ceased to exist and was replaced by an "efficient market economy" it turned out that it was simply unprofitable and uneconomical to provide people in small towns with a decent way of life. According to Moscow Mayor Sergei Sobyenin, it is easier to invest where there is a higher concentration of population, and this will yield a higher return: "...if you build a pipeline, a gas pipeline or a road to a village where only three elder women live, what kind of return will you get?

Market economy officials view the creation of favorable living conditions for people only from the point of view of profitability. No wonder, because for them people are only a resource that must bring profit. The elderly who used to work in the enterprises that have now been cleverly privatized by the representatives of business and the government is no longer seen as useful, and it is not practical to build roads and gas pipelines for them. Thanks to this cruel "optimization", rural hospitals are disappearing and people are increasingly forced to travel hundreds of kilometers for help. The living conditions of ordinary people continue to deteriorate, despite the construction of tens of millions of square meters of housing, the increase in profits from the export of raw materials, and the increase in wealth of the oligarchs. The prosperity of a small group of billionaires rests on the poverty and misery of hundreds of millions of ordinary citizens.

In a market economy, man becomes an instrument of profit, and nothing can be fundamentally changed until the state becomes socialist, that is, until it exists for all working people. Only such a state would represent the interests of ordinary workers, and provide them with everything they need for comfortable work and life, not only in megacities but also in small towns. Under socialism, the priority is to ensure a decent standard of living for ordinary citizens, whose labor creates the very goods that today's capitalists so carefully count and conserve.

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