

Moscow Raids Firms Violating Lockdown, as Small Businesses Call for Help

Owners say weak support from the government has left them with no choice but to carry on working.

By Jake Cordell and Felix Light

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Bars across Moscow have been forced to close during a citywide lockdown. **Sergei Vedyashkin /** Moskva News Agency

Moscow authorities have been cracking down on businesses staying open illegally during the city's partial lockdown, as some company owners say they have no choice but to test the rules or risk going under.

Officials posted clips of raids and searches of a number of premises that were reportedly violating Moscow's shutdown earlier this week on official social media channels. In one case, state-run television channels were <u>invited</u> to film the inspections — a high-profile message

to other businesses considering staying open during the lockdown.

A number of <u>bars</u>, hookah lounges, a high-street cosmetics store and even a river cruise operator have been threatened with fines of up to one million rubles (\$14,000) or a 90-day forced closure after they were found to have violated Moscow's anti-coronavirus rules, police say.

Inspections of businesses which have been allowed to stay open, like supermarkets and pharmacies, have also stepped up to ensure firms are complying with mask mandates and temperature checks of employees.

Related article: <u>As Moscow Prepares for Another Lockdown, Frustration Mounts Among</u> <u>Vaccinated Minority</u>

The Russian capital is currently in the middle of an 11-day partial lockdown shuttering all non-essential businesses and seeing workers on paid vacations in an attempt to stop the spread of the coronavirus, which has reached record highs in recent weeks.

Some businesses said they face <u>no choice</u> but to run the risk of being discovered, as support from the state throughout the pandemic and lockdown has been weak.

"I've got no choice but to work. The government doesn't give us any money, and the rent still needs to be paid," said hairdresser Kostya, who stayed open and asked for his last name to be withheld. His business, which operates from a quiet side street, has gone cash-only during the lockdown to avoid detection.

He estimated that one in five hairdressers have stayed open secretly during the pandemic.

"I'm kind of glad the rest are all shut. Business is good and we're getting a lot of new clients."

Consumer spending in Moscow has fallen to levels typically seen during Russia's extended January and May public holidays, when many businesses shut down and residents leave the capital, <u>data</u> from Sberbank shows. Moscow currently has the lowest level of consumer activity in the whole of Russia, according to separate data from Tinkoff Bank.

Breaking and bending the rules

While some firms are outright breaking the rules on forced closures, others have taken to what they see as bending them. The Moscow Times visited a clothes repair shop located in a gated residential community which is accepting drop-offs by appointment only, sending the building's access code to would-be customers upon arrival.

Alexandra Schrader, owner of The Goat Bar heavy metal pub and music venue in central Moscow, also says she is not breaking the rules by staying open to serve takeaway drinks and having customers gather in the courtyard outside the bar.

That approach has caused problems with Schrader's neighbors. The pub next door, Punk Fiction, was named publicly as one of the outlets under threat of closure for staying open, prompting the owners to deny the reports. "Inspectors came to the loft next door to us, where there really was a party. We are closed," Punk Fiction said in a social media <u>post</u>.

Schrader said that while she has had tough questions from police about why — and for how long — her guests are congregating outside, she has yet to be fined.

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Another bar which was visited by inspectors had days before joked on social media about how it intended to circumvent the rules — by starting to offer veterinary services so it could classify as an essential business.

Even big businesses that have been allowed to stay open are angry at enforcement of the lockdown. The founder of Russian fast food chain Teremok filed a <u>complaint</u> with city officials because, according to members of his team who carried out secret inspections, McDonald's were allowing guests to wait inside while they collect their orders.

Lack of government support

For smaller firms, weak government support — tax payment deferrals and cheap loans and grants to cover employee wages up to the amount of Russia's national minimum wage (\$175 a month) — has once again become a source of contention.

"I don't understand this 'support' at all," Schrader told The Moscow Times. "To get the loans you have to submit a huge pile of papers and have a lot of conversations with the bank. I was constantly sending something to them, then the manager said he'd missed something and the rules kept changing. By the time everything had been collected, time had already run out."

Anger over the bureaucracy required to access meagre support has been a common criticism from small business owners throughout the pandemic.

"The state is putting us in a dead end. It forces all small entrepreneurs like us to close down, and the only thing we can hope for is the loyalty of guests and our landlord," she said.

"We're investing so much effort, nerves and money. And instead of adequate solutions and support from the state, we again get useless QR-codes, bans and fines."

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