

# RUSSIA RELATED ANALYTICAL DIGEST ON APRIL 2026

## “PRE-CRISIS SITUATION IN RUSSIA: LOOMING ECONOMIC COLLAPSE AND TIGHTENING OF INTERNAL CONTROLS”

The world needs a proactive strategy on Russia, taking the initiative by developing and communicating a clear strategic vision for Ukraine, along with a plan to contain and counter Russian influence.

The [NGO ANTS](#) conducts monitoring and research work on the state not only of the Ukrainian economy and society, but of the Russian economy and Russian society as well in order to have a true picture of the situation in this country, and not be satisfied with the bluff, hybrid aggression and disinformation that Vladimir Putin loves so much.

Fortunately, in today's world it is difficult to hide anything, and realistic conclusions can be drawn if information is analyzed in a timely and correct manner, having instant access to the Russian and international information field, and an excellent understanding of the context and social processes.

**The head of our organization, Dr. Hanna Hopko, former head of the Foreign Affairs Committee of the Verkhovna Rada of Ukraine,** is making great efforts in the international arena to advocate for the cessation of appeasement of the aggressor, who should not be irrationally feared, because his economy and social processes are far from being in the best shape.



Ihor Krupka

# A brief analysis of the political and economic situation in Russia in April 2026

## Politics

The materials in this digest indicate that, in April 2026, Russia is not in a state of open political crisis, but is experiencing **deep systemic tensions**. The regime retains control, but increasingly relies not on public support or economic stability, but on coercion, control, the mobilisation of resources and repressive administration.

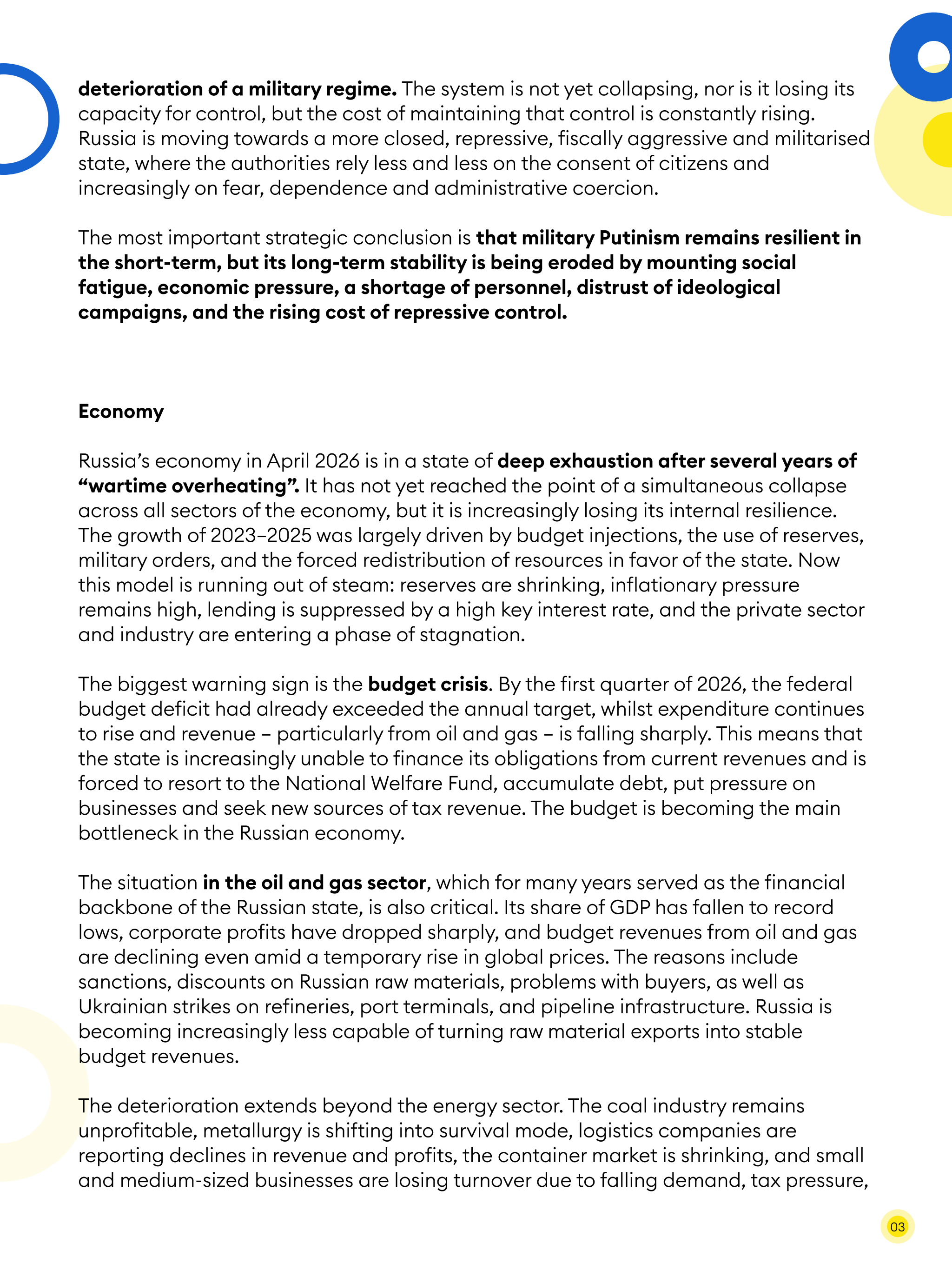
A defining feature of Russia's current state is the shift from authoritarian stability to a military-mobilisation model of governance. The state is extending its control over almost every sphere of life: education, the internet, financial transactions, language, historical memory, business and labour relations. The authorities are attempting not only to suppress resistance, but also to pre-emptively close off spaces of personal autonomy – from VPNs and independent access to information to the privacy of cashless payments.

At the same time, this model demonstrates not only the regime's strength but also its vulnerability. The Kremlin is forced to seek new manpower for the war among students, to intensify ideological pressure on schools and universities, to exert financial pressure on the population and businesses, and to legalise or semi-legalise extrajudicial repressive practices. This means that the previous sources of stability – passive loyalty, economic inertia, television propaganda and the image of state omnipotence – are no longer as effective.

It is especially important that ideological mobilization has a limited effect. Despite the aggressive promotion of “traditional values,” militarism, and anti-Western and anti-Ukrainian narratives, society does not fully internalize these attitudes. Young people are not automatically becoming more traditionalist or militarized; trust in the Russian Orthodox Church and the appeal of a military career are declining; and the state's attempts to dominate the information space often provoke not loyalty, but fatigue, irritation, or adaptive “doublethink”.

The socio-economic situation is also becoming worse. The rise in the number of employees recommended for dismissal, particularly in the public sector, coupled with plans for total control of payments and the search for additional tax revenue, points to fiscal strain. The Russian state requires ever more resources for the war and its repressive apparatus, but the scope for extracting these resources painlessly is narrowing.

In short, the overall state of affairs in Russia can be described as the **controlled**



**deterioration of a military regime.** The system is not yet collapsing, nor is it losing its capacity for control, but the cost of maintaining that control is constantly rising. Russia is moving towards a more closed, repressive, fiscally aggressive and militarised state, where the authorities rely less and less on the consent of citizens and increasingly on fear, dependence and administrative coercion.

The most important strategic conclusion is **that military Putinism remains resilient in the short-term, but its long-term stability is being eroded by mounting social fatigue, economic pressure, a shortage of personnel, distrust of ideological campaigns, and the rising cost of repressive control.**

## Economy

Russia's economy in April 2026 is in a state of **deep exhaustion after several years of "wartime overheating"**. It has not yet reached the point of a simultaneous collapse across all sectors of the economy, but it is increasingly losing its internal resilience. The growth of 2023–2025 was largely driven by budget injections, the use of reserves, military orders, and the forced redistribution of resources in favor of the state. Now this model is running out of steam: reserves are shrinking, inflationary pressure remains high, lending is suppressed by a high key interest rate, and the private sector and industry are entering a phase of stagnation.

The biggest warning sign is the **budget crisis**. By the first quarter of 2026, the federal budget deficit had already exceeded the annual target, whilst expenditure continues to rise and revenue – particularly from oil and gas – is falling sharply. This means that the state is increasingly unable to finance its obligations from current revenues and is forced to resort to the National Welfare Fund, accumulate debt, put pressure on businesses and seek new sources of tax revenue. The budget is becoming the main bottleneck in the Russian economy.

The situation **in the oil and gas sector**, which for many years served as the financial backbone of the Russian state, is also critical. Its share of GDP has fallen to record lows, corporate profits have dropped sharply, and budget revenues from oil and gas are declining even amid a temporary rise in global prices. The reasons include sanctions, discounts on Russian raw materials, problems with buyers, as well as Ukrainian strikes on refineries, port terminals, and pipeline infrastructure. Russia is becoming increasingly less capable of turning raw material exports into stable budget revenues.

The deterioration extends beyond the energy sector. The coal industry remains unprofitable, metallurgy is shifting into survival mode, logistics companies are reporting declines in revenue and profits, the container market is shrinking, and small and medium-sized businesses are losing turnover due to falling demand, tax pressure,



internet disruptions, and the overall contraction of economic activity. This indicates that the problems are systemic rather than isolated.

The labour market is currently masking the depth of the crisis: unemployment remains low, but this is not a sign of a healthy economy. Companies are not laying off staff on a massive scale due to labour shortages, yet they are not showing any signs of robust expansion either. A 'frozen' economy is taking shape: employment is holding up, but production, investment, demand and profits are falling. Trade, construction, transport and services appear particularly vulnerable.

The financial system is also entering a zone of strain. The need for recapitalization of major banks, the outflow of household funds from banks, the high cost of government borrowing, and rising debt-servicing expenses are creating additional pressure on the ruble, the budget, and banking liquidity. The state is increasingly forced to address problems not through economic growth, but through reserves, debt, taxes, or monetary emission mechanisms.

Overall, Russia is moving from a phase of war-driven growth to one of **stagnation, with a high risk of recession**. Its economy is still capable of sustaining the war in the short term, but the cost of doing so is rising rapidly. Any further continuation of the war will mean further tax hikes, cuts in civilian spending, increased pressure on business, a decline in investment and the gradual depletion of productive capacity. Key conclusion: the Russian economy **is heading toward collapse, its margin of resilience is rapidly shrinking, and its ability to finance a prolonged war without deep internal losses is becoming increasingly weaker**.

# Mosaic of Russian economic news for April 2026

## From fiscal overheating to systemic problems: deficit shock, worsening financial difficulties in the corporate sector and increased regulatory scrutiny

### **Fiscal collapse: record budget deficit in the first quarter**

Due to a sharp rise in military spending and a fall in revenue, the Russian Federation's budget deficit for the first three months of 2026 reached 4.58 trillion rubles, which is already 21% higher than the target for the whole year.

### **Depletion of reserves: the government has once again begun to draw on the National Welfare Fund**

The high cost of servicing domestic debt and an acute shortage of funds have forced the Ministry of Finance, for the first time since 2024, to withdraw nearly 460 billion rubles from the National Welfare Fund to plug the budget shortfall.

### **Economic paralysis: Central Bank records fall in cash flows**

A sharp decline in incoming payments in the first quarter of 2026 (by 17–20% in real terms) points to a deep crisis in consumer demand and stagnation in key sectors of the economy.

### **The collapse of the 'national breadwinner': the oil and gas sector's share of GDP has fallen to an all-time low**

Revenues from oil and gas fell by 43% in March 2026, whilst the sector's share of GDP shrank to 13%, indicating that the sector has lost its role as the country's main source of revenue.

### **Metallurgical disaster: Severstal has lost almost all its profits**

Russia's leading ferrous metallurgy company has seen its net profit plummet 370-fold and its cash reserves evaporate by 96% over 15 months due to sanctions and the loss of export markets.



## **Banking Sector Under Fire: VTB Requires Colossal Recapitalization**

Russia's second-largest bank has announced the need to raise 700 billion rubles in additional capital to meet Central Bank regulatory requirements amid an outflow of retail deposits.

## **Tax Terror Against Small Business: SME Turnover in Decline**

SME revenue has plummeted by a quarter in real terms due to shrinking demand and intensifying fiscal pressure, creating a risk of a 3-trillion-ruble shortfall in tax collection.

## **Banking Secrecy is History: Implementation of Full Control Over All Citizen Payments**

A new bill will mandate that banks transmit detailed data on all non-cash transactions made by Russians to the tax authorities, allowing the state to establish control over 99% of all financial operations in the country.

[\*\*Read more\*\*](#)

# Mosaic of socio-political news from Russia in April 2026

## Digital Dictatorship and Ideological Siege: Strengthening the Repressive Apparatus and Mobilization Pressure in the RF

### University Mobilization: Implementing "War Quotas" for Students

Russian universities have been ordered to dispatch at least 2% of their male student population for military needs, which could result in the forced recruitment of 44,000–76,000 new contract soldiers based on higher education enrollment figures as of early 2026.

### The "Drone Pilot" Army: A Large-Scale Campaign to Recruit Students into Unmanned Systems Forces

By the end of 2026, authorities plan to enlist over 58,000 students and UAV course graduates into a new branch of the military, using a combination of financial incentives and threats regarding academic standing.

### Cyber-Surveillance by the FSB: Monitoring IT Traffic to Detect VPN Users

The Federal Security Service (FSB) is launching a monitoring program for IT company networks to detect VPN usage; detection threatens businesses with the loss of their accreditation and subsequent tax incentives, while employees face the revocation of their military service deferments.

### School Indoctrination: Implementation of Mandatory Lessons on the "Genocide of the Soviet People"

Propaganda lessons based on official manuals have been introduced in senior classes, featuring narratives about "newly-minted Nazis" in Ukraine—denial of which now carries actual prison sentences. Education is increasingly being utilized as a tool for political messaging and the legal entrenchment of ideology.

### Secret Justice: Putin's Secret Decree Allows Detaining Individuals Without Trial

Human rights defenders have uncovered a secret document dating back to March

2022, which serves as the basis for the months-long detention of dozens of Russian and Ukrainian citizens for "opposing the Special Military Operation" without any court rulings.

### **Linguistic Terror: Implementation of Fines for Violating "State Linguistic Standards"**

Ideological control has extended to language: businesses face fines of up to 500,000 rubles for using words that do not comply with the officially approved "dictionaries of the state language".

### **Budget Deficit Triggers Layoffs: Mass Downsizing of Public Sector Employees**

The number of employees recommended for dismissal in Russia has risen to 105,000, a 43% increase over the last 10 months; these cuts primarily target public sector institutions amid the country's deepening financial crisis.

### **The Collapse of "Traditional Values" Propaganda: Youth Massively Ignore Conservative Narratives**

While anti-Western sentiments are rising, "traditional values" campaigns are failing to deliver the expected results, particularly among the youth. Despite intense pressure from the Kremlin, surveys indicate declining trust in the Russian Orthodox Church, a rejection of early parenthood among young people, and a drop in the prestige of military service among parents.

### **The Crisis of "War Putinism": Three Frustrations Undermine Regime Stability**

The Russian elite and society have been confronted with military setbacks and economic hardships, which are gradually shattering the myth of the government's omnipotence and altering the country's political landscape.

### **Suppression of Intellectual Freedom: Repressions Against Economic Analysts**

The FSB has launched an open campaign to intimidate independent experts and "insiders," detaining administrators of financial Telegram channels for exposing false official statistics.

[\*\*Read more\*\*](#)

## **ANTS is open to cooperation! The most accurate information on your desk before anyone else!**

NGO National Interests Advocacy Network ANTS is a non-governmental organization, a powerful analytical center working to develop a strategy for countering the threat from Russia and its allies. We are open to proposals for cooperation in this direction for a deeper awareness of our partners and allies about socio-political and economic processes in Russia and Ukraine, and therefore a more profitable strategy for dealing with threats.

We offer operational and high-quality monitoring, analytics, joint events, briefings and discussions.

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