

Russian Duma presses ahead with pension reform in face of overwhelming popular opposition

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On Tuesday, August 21, the Russian parliament (Duma) held a hearing that made clear it is pushing forward with a deeply unpopular pension reform that would raise the retirement age for men from 60 to 65 and for women from 55 to 63.

The raising of the retirement age constitutes the most drastic assault on the living standards of the working class, intelligentsia and agricultural population under the Putin regime. Polls indicate that at least 90 percent of the population opposes it. The raising of the retirement age will mean that about a third of Russian men will not live to see their pensions.

It will slash the living standards of broad layers of the working class, as entire families are often dependent on the meager pensions as an addition to the miserable salaries they receive for their work. The state will effectively steal 1 million rubles (US\$16,000) from every working woman and 1.5 million rubles (US\$24,000) from every working man as a result of the reform (see: “Outrage in Russia over pension reform”).

The Duma hearing was dominated by proponents of the pension reform, which is, in the words of the newspaper *Gazeta.Ru*, essentially a “settled issue.”

It was held under conditions in which half the deputies were still on vacation because of the summer break. Some 600 people participated, among them Duma deputies, government officials and representatives of social organizations and trade unions. The Duma hearing was designed to provide the reform with a thin veil of democratic legitimacy with advocates of the reform dominating, and leaders of the “loyal” opposition, the Stalinist KPRF, the fascistic LDPR and the right-wing nationalist “Just Russia” trying to present themselves as “men of the people.”

The case in favor of the reform was made principally by Alexei Kudrin, the former finance minister of Russia (2000-2011) and current chairman of the Accounts Chamber. It is widely known, but was never made official,

that the current pension reform plan is based on proposals elaborated by Kudrin’s think tank, the Center for Strategic Research.

Kudrin argued that Russia was facing an economic turning point: It could either raise taxes, something that was out of the question because big business was opposed to it, or take a “new view on the situation”—i.e., implement the pension reform. He pointed to the growing number of pensioners relative to the working population as well as the rapidly shrinking Russian workforce, maintaining that low pensions could be raised if the retirement age was raised.

He insisted that the pension reform was necessary to maintain the Russian state budget and that it was “long overdue.” It should have been prepared 10 years ago, Kudrin argued. Indeed, Kudrin and others, especially among the pro-Western liberal opposition, have for a decade or more pressed for complete reversal of the pension system.

Deputies of the ruling “United Russia” party echoed his arguments, saying that the pension reform was necessary and long overdue, and that it had to be adopted as quickly as possible.

The head of the Stalinist and far-right nationalist KPRF, Gennady Zyuganov, denounced the reform as a “law which, in defiance of all logic, splits society.” Vladimir Zhirinovsky, the head of the fascistic LDPR (Liberal Democratic Party of Russia), also denounced the reform before arguing that it was essentially necessary, but should be implemented in a different form. The head of “Just Russia,” Sergei Mironov, warned that they were facing an “army of hungry people” and called for a referendum on the reform. All of them have for decades served as key props of the Putin regime while acting as a loyal opposition. Their main role consists in diverting popular anger and channeling it in a right-wing, nationalist direction.

As a result of the Duma hearing, a “working group” was created that will include Kudrin, the labor minister Maxim Topilin; Valerii Fadeev, the secretary of the Social Chamber

of the Duma; Vladimir Mau from the Economic Council under President Putin; and Mikhail Shmakov, the head of the state-controlled trade union federation FNPR.

The fact that the Kremlin, the government and the Duma are pressing ahead with the raising of the retirement age in defiance of overwhelming popular opposition signals a major escalation of the oligarchy's class warfare against the working class in Russia. There is no question that the coming months will see a significant upsurge in social opposition to the Putin regime.

The arguments by Kudrin, which amount to the same old lie that "there is no money" other than that which is pumped out of the working class through austerity, is, of course, an offensive lie. The Russian mafia-oligarchy controls immense riches, much of which are not even declared but disappear somewhere along the way to the Virgin Islands through money laundering and other criminal activities.

According to a report from 2017, the country's top decile owns a stunning 89 percent of all household wealth, compared to 78 percent in the United States and 73 percent in China. Russia has the world's third-largest number of billionaires (96) and is home to around 79,000 dollar millionaires.

That the Russian economy, almost three decades after the destruction of the Soviet Union, borders on permanent recession, is anemic, and has extraordinarily low rates of labor productivity is above all the result of the restoration of capitalism in the USSR, which was accompanied by a historically unprecedented destruction of productive forces—outside of periods of major wars.

Capitalist restoration has created an economy that relies largely on the export of raw materials, and in which almost 50 percent of GDP is generated in gray areas like human and drug trafficking, illegal financial transactions and other criminal activities.

The demographic crisis in Russia is a result of an ongoing social crisis that has taken its toll on the health and ability to work of several generations of Russians. Life expectancy in Russia plunged in the 1990s and still is among the lowest in the developed world.

Now, the Russian oligarchy uses this economic and social disaster that it has created through its rule over the past decades to justify further assaults on the working class.

It is telling that Western media and think tanks, always eager to portray Putin and his regime as anti-democratic and authoritarian, have essentially backed the pension reform, despite it being opposed by virtually the entire population. This type of assault on working class living standards is precisely what the imperialist powers and their media outlets, as well as Russia's liberal opposition, have been pushing for all along when acting as "democratic"

opponents of the Putin regime.

Tuesday's Duma hearing occurred just one day before the 14th anniversary of Putin's signing the law on the "monetization of benefits" in 2004. This reform meant that social benefits for pensioners, veterans and others were "monetized"—i.e., free subway and bus rides, and many tickets for daily use and culture that had hitherto been free for these social groups were abolished, and their former recipients received meager substitutes in rubles. The ensuing mass protests by pensioners, workers and youth against this reform were the main motivator for President Putin to make his promise in 2005 that he would never raise the retirement age, a measure that was then already being discussed in the oligarchy.

Today, his regime feels forced to push ahead with this reform under conditions that are far more unstable and explosive, both in terms of social tensions and in terms of the economic and international situation as a whole.

So far, Putin has personally not made any public comment on the planned pension reform—most likely out of fear of the consequences of his public backing for a reform that has been developed and pushed for by one of his longest-standing and closest allies, Alexei Kudrin. However, Putin did allow the ruling party "United Russia," which is at this point the main driving force behind the pension reform, to declare itself the "president's party" during the campaign for elections in some 80 Russian regions on September 9.

By contrast, in this year's presidential elections in March, he had sought to distance himself from the widely detested party. His decision to now align himself with it is an expression of the deep crisis of his regime and the recognition that the party might otherwise suffer a catastrophic vote of no confidence in the regional elections. In polls, United Russia has plummeted already by some 13 points since early July, falling to 35.3 percent nationwide. Putin's alignment with United Russia and its austerity policy in this situation will serve to further discredit Putin and his regime as a whole.



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