Putin backs widely hated Russian pension reform

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On August 29, Russian President Vladimir Putin for the first time came out openly in support of a widely hated pension reform, which will raise the retirement age for both men and women. The reform is opposed by more than 90 percent of the population. Just a little over a week earlier, a Duma hearing had ended with an approval of the reform. It is likely to be pushed through in the next few weeks.

The initial bill provides for a raising of the retirement age for women from 55 to 63, and for men from 60 to 65, an age that over a third of Russian men do not even reach. The raising of the retirement age will have far-reaching social implications for the entire working class, as substantial sections of workers rely on the meager pension payments to their parents as an addition to their salaries to sustain their families. About a third of Russian pensioners already work because they cannot live on their pension, which is on average only about 13,300 rubles ($210) per month.

While some media outlets, including the *New York Times*, have focused on the limited concessions that Putin made to the widespread hostility toward the reform, the main signal the Russian president sent is that he and his government will not budge on this issue in any substantial way.

In his 3,100-word address, Putin outlined the demographic problems facing Russian society, focusing on the devastating impact of the Second World War, which killed up to 40 million Soviet citizens, and of the total economic and social collapse of the 1990s following the Stalinist bureaucracy's dissolution of the Soviet Union.

Stating that he had been forced by objective circumstances to change his position on the pension reform—ever since 2005, he had insisted he would never agree to raising the retirement age—he argued that the state budget did not have the resources to pay for pensions, under conditions in which the numbers of pensioners is rapidly growing, while the working-age population is shrinking. Putin added that Russia had come out of the economic and social crisis that still marked the 2000s and was now in a position to demand more concessions from the population.

He proposed a number of changes to the original pension reform draft: Instead of raising the retirement age for women by eight years from 55 to 63, it should be raised by five years, from 55 to 60.

Putin also argued for incentives for businesses so that they would keep people in pre-retirement age on the job, and for the maintenance of some benefits and exceptions for specific groups of workers.

He concluded: "I will emphasize again that we are faced with a very difficult, but necessary decision. I ask you to understand this."

The argument that there is no choice but raising the retirement age is a lie.

"Resources" to pay for pensions, and increase living standards for both workers and pensioners, exist in abundance: They are concentrated in the hands of oligarchs close to Putin and a whole layer of other oligarchs who are in or close to the "liberal opposition." They all have gained their fortunes through social plunder: the reckless destruction of the Soviet economy and welfare system, and the ongoing exploitation of Russia's raw material resources and working class.

As of 2017, the country's top decile owned 89 percent of all household wealth. The country is home to some 96 billionaires and 79,000 dollar millionaires. Among Russia's wealthiest billionaires are Alisher Usmanov with $12.3 billion, Viktor Vekselberg, who is worth over $13 billion, Vladimir Potanin ($14.8

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billion), Alexei Mordashov ($18.4 billion) and Leonid Mikhelson (over $20 billion).

The riches of the oligarchs and their origins are, of course, widely known in Russia. This is why no one believes or supports the official argument in favor of the pension reform.

Moreover, Putin's argument that the social situation for Russians has become more stable flies in the face of the reality that Russian workers, youth and intellectuals are facing on a daily basis.

Especially since the beginning of the Ukraine crisis and the Western sanctions, which triggered another economic crisis in Russia in 2015-2016, and led to a dramatic devaluation of the ruble, living standards have steeply declined. The number of "extremely poor," who live on 9,828 rubles (less than $174) has risen to almost 20 million. Many of the "extremely poor" are pensioners.

A recent article in the *Nezavisimaya Gazeta* reported that the population will face a steep increase in payments for utilities in 2019, which would lead to a growth in the already high consumer debt. According to one expert, the debts of Russians for utilities rose by 5.3 percent over the past year, and are now 35 percent higher than in 2015. The average debt of Russians in terms of utility payments is over 46,000 rubles ($682). Consumer debt this year has risen twice as fast as real income.

This year has already seen multiple expressions of extreme social anger over the horrendous social and working conditions. Earlier this year, a teacher was fired (and later reinstated) for protesting against poverty wages for teachers in his region, which placed them in the income bracket of those counted as "extremely poor." For several months in the late winter and early spring of this year, paramedics in Voronezh were engaged in a work-to-rule action (a full strike by paramedics is banned by law) to protest against new regulations that force them to drive to patients on their own time. Paramedics in the region receive a monthly salary of some 19,000 rubles ($282). In August, workers at the Russian VW plant in Kaluga also staged a work-to-rule action.

The so-far limited strikes and protests will no doubt grow in the coming months. The pension reform, with or without Putin's proposed changes, constitutes an aggressive move by the oligarchy in its warfare against the working class. Like the bourgeoisie internationally, the oligarchy in Russia is determined to make the working class pay for the very crisis it itself has produced.

On September 2, several thousand people protested again against the pension reform. The protests had been mainly organized by the Stalinist KPRF, the largest opposition party in the Russian parliament. At the biggest rally in Moscow, which attracted some 10,000 people, Gennady Zyuganov, the long-time head of the KPRF, described the pension reform as "cannibalistic" but only mildly criticized Putin. His speech tried to whip up Russian nationalism and was filled with anti-American and anti-Ukrainian remarks. At other rallies, protesters raised demands for Putin to step down.

The politics of the forces that currently organize the protests, ranging from the KPRF, other Stalinist parties and various pseudo-left groups, to fascist forces and the far-right "liberal" politician Alexei Navalny, constitute a dangerous dead-end. Their aim is to divert social anger into reactionary nationalist channels and thus block the emergence of any genuine working class opposition movement to the reform.

Such a movement would have to be linked up with the growing class struggles of workers internationally on a socialist basis and take up a fight not only against Putin and the current government, but against the entire political establishment that has emerged out of the destruction of the Soviet Union and the restoration of capitalism.

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