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Protests against pension reform in Russia

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On 19 July, on the first reading, the State Duma adopted a draft law on raising the retirement age of women from 55 to 63 years and men from 60 to 65. The age of retirement is to be gradually raised as of 2019: for women by the year 2034, and for men by 2028. The law was supported by the pro-Kremlin United Russia party, while the parties of the so-called licensed opposition voted against it. Protests against the reform have been held since mid-June in many Russian cities, attended by participants numbering from several hundred to several thousand: on 1 July, they were held in 40 cities, and on 18 July in Moscow (10,000 participants), St. Petersburg and Novosibirsk.

Commentary

- Discussions about the need to raise the retirement age have been ongoing in Russia since 1997. The current retirement age was established in 1932, when life expectancy in the Soviet Union was 42-43 years, and has not coincided with the demographic trends for a long time. Currently average life expectancy stands at 72.6 years (77.6 for men and 67.5 for men). The reform is part of a wider government plan to reduce complex social benefits. However, the reform involves raising the retirement age alone, without changing the opaque system for calculating pensions. Likewise, the policy does not change the rules governing early retirement for certain categories of workers (the uniformed services, people working in dangerous conditions, mothers of many children, etc.).
- The principles of the reform have given rise to large social opposition: polls show that around 90% of the public is opposed to raising the retirement age. This unpopular decision had been put off for many years; the authorities decided to implement it right after the presidential election. After the reform's announcement, opinion polls showed a sharp drop in support, not only for Prime Minister Medvedev who signed off on it, but also for President Putin (of around 8 percentage points). Public protests have been attended both by people approaching retirement age and younger individuals, and the organisers have included trade unions and political parties of the so-called licensed (the Communists, A Just Russia) and non-systemic opposition (Navalny, Yabloko, the Left Front). The public is frustrated that the government is limiting to cutting social benefits while maintaining complex and non-transparent budgetary expenditures in other areas, and this frustration is further fuelled by the increase in fuel prices, as well as the rise in VAT from 18 to 20% provided for as of 2019.

- The government is working to neutralise social discontent in fear of a repeat of the scenario in 2004 and 2005, when the reduction of pension privileges sparked mass protests and a drop in Putin's poll numbers. The authorities have set up a special team in the Kremlin to provide PR support for the reform. The government is also trying to camouflage the severity of the reform (it was announced on the opening day of the World Cup; the state media have focused on the positive aspects of the change, avoided the term 'pension reform' and have not mentioned Putin in this context), while at the same time promising to increase pensions for non-working retirees by 1000 roubles (US$16) a month and signalled a willingness to compromise (for example, by alleviating some principles of the reform in the bill's second reading). An additional reason for the authorities' concern might be the proximity to the regional elections (9 September), during which the heads of 22 regions will be chosen. The authorities have deliberately delayed the second, key reading of the bill to the post-electoral period, out of fear that the elections will motivate the dissatisfied to stir up protests and to express their dissent by protest voting.