

On Pension Plan, Putin Shows He's Not a Leader

By [Vladimir Frolov](#)

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President Vladimir Putin is miffed at the government's tardiness to fulfill his campaign promises to bring heaven to earth during his rule. But the system he has built and now jealously guards requires his personal involvement in almost anything.

The government is at a stalemate over pension reform. One side advocates abolishing the mandatory retirement savings accounts and taking future retirees' money to plug a huge hole in the Pension Fund. The other side favors raising the retirement age to save the fund from bankruptcy, while stimulating individual retirement savings to guarantee future pensions.

This issue affects Russians of all ages. It's a trillion-dollar proposition for politicians to debate. But there is hardly any debate. Parts of the proposed reform were published on an obscure government website, while a few economists have traded arguments on newspaper opinion pages. The elected leaders are mum.

The State Duma, underscoring its illegitimacy, has spent the year legislating restrictions on people's rights to hold rallies, receive U.S. government grants from abroad and express their views on the Internet. It is now immersed in purging members with undeclared business interests. It has yet to schedule a hearing on pension reform.

Putin's leadership on the issue has been limited to his demands that the retirement age should not be raised and that pensions should keep rising at a faster rate than inflation. He never had to debate these proposals during the campaign or specify how he was going to pay for them.

Since the March presidential election, he has been more interested in martial arts and saving cranes. Shirking from his responsibility to lead the country, Putin has said nothing to the people about pension reform in the past six months and has not moved to break the government impasse.

Putin's insistence that only he can plan the nation's future makes the governing process a hostage of his personal attention to key issues. Those issues that interest him get priority, while those that don't are stalled. Government institutions are paralyzed until the president signals his preference. Forget the Politburo, it's the imperial presidency.

The system is fine-tuned for a one-way conversation, with the speaker moving, like God, in mysterious ways. It has no spare bandwidth for a two-way conversation to lower the risks of catastrophic failure.

This is precisely the point that protesters in Moscow are trying to make.

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