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Navalny Launches Initiative Against Pension Reform

By The Moscow Times

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Opposition leader Alexei Navalny on Monday began a campaign to oppose a pension reform that he described as large-scale robbery.

Under the bill, contributions to the so-called "cumulative," or funded, part of pensions will be channeled to the unfunded pay-as-you-go system starting from 2014 and used to pay pensions to current retirees. Previously, the cumulative part of pension savings was transferred to individual retirement accounts with either the government's pension fund or private funds and kept there until the beneficiary reached retirement age.

The reform has been a target of severe criticism, with some saying it is unlawful and will negatively affect the economy.

Navalny said that, if someone's salary amounts to 40,000 rubles ($1,254) per month, "cumulative" contributions will amount to 6 percent, or 2,750 rubles per month and 33,000

rubles per year.

"This is the amount that will be seized from you and channeled to plug holes in the budget stemming from the government's clumsiness and thievery," he said.

The decision will affect all able-bodied citizens under 46, or 25 million people, Navalny said.

"It is hard to imagine the government of any European country staying in power after robbing 25 million people like that," Navalny wrote.

He said his Anti-Corruption Fund had launched a website allowing users to send letters opposing the reform to State Duma deputies, Federation Council members, President Vladimir Putin and Prime Minister Dmitry Medvedev.

The Cabinet submitted a bill on the reform to the State Duma last week.

Mikhail Dmitriyev, head of the Center for Strategic Research, told Vedomosti earlier this month that the decision was illegal, demonstrates the lack of rule of law, and as such would have a negative impact on investment and economic development. Meanwhile, Dmitry Gudkov, an opposition State Duma deputy, said last week that he would coordinate an initiative to file lawsuits against the decision.

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