

Russia: wave of protests against welfare cuts

By Stanislav Smolin and Vladimir Volkov
27 January 2005

Since the beginning of January, a growing wave of protests has developed in Russia against the so-called monetarisation of social security benefits.

Last year, President Vladimir Putin signed several laws which effectively eliminate social security benefits for forty million Russian citizens. These laws have now come into force. Instead of receiving their former subsidies and benefits, those affected—pensioners, the disabled, war veterans, war victims and many others—now receive payments in cash, worth substantially less.

The last three weeks have revealed the profound social discontent which prevails amongst broad layers of Russian society—not just pensioners and the underprivileged, but also students, military service conscripts, and others. The protests give the lie to claims that the population of Russia is passively resigned to its fate and paralysed by official propaganda.

Protests and demonstrations took place over the past week in dozens of cities in different regions of the country. Some 1,500 took to the streets in Pensa, 1,000 in Stavropol, 3,000 in Bijsk in the Altai district, and 1,500 in Novosibirsk. Demonstrations also took place in Kazan, Blagoveshensk, Orjol, Kaluga, Tscherepovez, Pskov, Krasnoyarsk and many other cities.

The slogans called for a reversal of the government's plans for monetarisation, but overt political demands have also become increasingly prominent. There have been calls for the resignation of the government and President Putin, as well as a reversal of all recent social "reforms."

Developments in St. Petersburg have been characteristic in this respect. This city, the birthplace of three Russian revolutions, saw the largest protests. On January 15, demonstrations and rallies took place at different locations in the city. Up to 13,000 participated at some of the rallies. The demonstrators blocked central roads for a time, including the approach road to the Smolni, the city's town hall and residence of the governor of Petersburg, Valentina Matvienko, who was elected last year with support from President Putin.

Protesters shouted: "Restore Our Benefits," "People, Arise," "Putin and Matvienko Should Resign" and "Hitler Deprived Us of Our Youth, Putin of Our Old Age". The protesters demanded the abolition of the law for the monetarisation of social security benefits and an increase in the basic pension from 650 to 3,000 roubles (from 20 to 90 euros).

The attitude of many demonstrators was characterised by gritty and desperate determination. Many of those taking part blocked traffic. One journalist reported from St. Petersburg's most prestigious high street on an exchange between a protesting pensioner and the driver of a street car. "I do not care where I die," the pensioner shouted. "You can run me over if you want! I do not want to quietly starve to death in my little room. I would rather die in public under a streetcar!"

On the same day, a 79-year-old "worker veteran," Alexander Aijol,

was run down by a car during a protest demonstration in Moscow. "Worker veteran" is the official title for those who have had to carry out particularly hard work. Prior to the new law, they were able to claim additional benefits.

The government was surprised by the extent of the protests and the determination of the participants. It initially tried to deny any responsibility by blaming regional governments, which the central government claimed had failed to correctly implement the laws.

Later, the government responded with a few small concessions. On January 15, Putin came to Petersburg and met with Matvienko to discuss the situation. The same evening the government assembled for an extraordinary cabinet meeting.

The minister for health and social development and driving force behind the new law, Michael Subarov, promised after the meeting to introduce a reduced monthly travel ticket for all pensioners. He also declared that the Treasury would explore the possibilities of equitable financing at the expense of the central government's budget.

A short time later, the government decided to raise the basic pension from February 1 by around 15 per cent. The government's original intention was to increase pensions in August by 5 per cent. In addition, the government promised to adjust payments in line with inflation from August instead of starting from January 2006.

These token measures will do little to improve the situation of the poverty-stricken masses. The president of the northwestern federal district, Ilya Klebanov, indicated that from February 1 living costs will rise between 30 and 40 percent. Rates for gas and water will also rise. There is, moreover, little doubt that the government will take the first opportunity to reverse all the promises it has currently made under the pressure of the demonstrations.

The government lacks even the means to realise the concessions it has announced. The central and regional budgets for the year 2005 were finalised on the basis of the law on monetarisation, which had been decided on last summer. Drastic changes in the financial relations between the central state and the regions were bound up with these budgetary measures.

Social security benefits were divided into two categories: central and regional. There are about 14 million persons entitled to payments centrally and 20 million on a regional level. On this basis, far-reaching cuts in social and welfare payments were made in the central budget. Given that 70 per cent of regional households are financed by the central government, it is clear that newly announced concessions will enormously increase expenditures from the central budget.

Minister of Finance Alexei Kudrin reckoned that the additional expenditures would total 100 billion roubles (3 billion euros). At the same time, he explained that payments from the central fund for the reduced monthly travel ticket could be financed only if the regions bore 70 percent of the costs. The majority of the poor regions are

utterly incapable of raising the necessary finances. This can only mean that the government's promise to introduce reduced travel costs cannot be fulfilled.

A further concession announced by the government was the withdrawal of a provision, announced last December by Secretary of Defence Sergei Ivanov, requiring students to serve in the army. This is being withdrawn because the government fears that students could join the pensioners' protests.

Army conscripts and their families are also significantly hit by the monetarisation of social privileges. The army high command fears that the new measures could lead to a massive exodus of officers and a sharp decline in the number of those training to be officers.

General Vladimir Schamanov, advisor to the head of the government on the social problems of army members and the former governor of the Ulianovsk region, expressed his fear that soldiers might also follow the lead of the protesting pensioners. He suggested postponing the monetarisation until a "political decision has been made in each federation".

Schamanov, well known for his toughness during the Chechnya war, suggested that dissatisfied soldiers should refrain from protesting and simply leave the army. He had nothing to propose, however, for the thousands of former soldiers who have been disabled in Afghanistan or Chechnya and are now to be denied access to medicine and treatment in sanatoriums and health resorts.

The protest wave has provoked a political crisis. Some parliamentary groups—including the Communist Party and the Party "Rodina" (Homeland)—demanded the resignation of the government. But this demand, should it come to a vote, is condemned in advance to failure. The majority in the parliament is controlled by parties supporting the president.

President Putin has refused to fire any cabinet members. The government has tried to play down the significance of the protests while slandering those who have taken part. In his customary unrestrained and cynical manner, Prime Minister Michael Fratkov explained that the discontent of most of the protesters was due to their "problematic psychological state".

Economics Minister German Gref said the monetarisation of social benefits was being carried out by means of "the mildest measures which are available to us." He added, "Every big change in any country is always painful."

For their part, the deputies of the Kremlin's governing parliamentary group "United Russia" explained that "only a handful of dissatisfied people expressed displeasure in the protests. That is a minority. The majority of the former beneficiaries support the law to monetarise privileges."

Meanwhile, "free market" liberals are exerting pressure on the Kremlin to refrain from any concessions. In a January 20 commentary entitled "Rendezvous with Pinochet," the Internet newspaper *Gaseta.ru* accused the government of "weakness". As a role model, the article cited the government led by Yegor Gaidar at the beginning of the 1990s, during the period of "shock therapy."

Some prominent commentators, such as Liliya Schewzova of the Moscow Carnegie Centre, observe "accumulating signs of a systemic crisis" and note the sinking popularity of Putin in opinion polls.

An inquiry conducted by the Levada Centre reported that 52 percent believes the country is headed in the wrong direction, while just 35 per cent believes it is on course. In 2003, the percentages responding to the same questions were reversed.

The government fears that discontent could grow, demands could

assume increasingly radical forms, and further layers could follow the protesters and take to the streets. With increasing regularity the government and police have been arresting the most active pensioners and members of different parties and organizations taking part in the protests.

On January 15, the correspondent of the newspaper *Citizen's Voice*, Alexander Laschmankin, was arrested and brutally beaten up by police in the city of Samara. He is accused of "violating the law of assembly and distributing leaflets".

The public prosecutor of the Samara region, Alexander Yefremov, explained to journalists: "We will undertake a criminal prosecution on the basis of the organization of non-authorized demonstrations." The head of the regional government, Sergei Sytshev, described all those who called on citizens to demonstrate as extremists and urged that the authorities not "give way to their provocations".

Also on January 15, ten representatives of political parties and organizations supporting the protests were arrested in St. Petersburg. Two of them were not arrested at demonstrations, but much later, in the proximity of their dwellings. In Perm, three people were arrested; twelve in the Moscow suburb of Chimki; and seven in Gatschina, in the Leningrad area. These are only the arrests that have been reported in the press.

In the autumn of last year, parallel to the new laws on monetarisation, the government passed a law substantially tightening rules for demonstrations. Utilising this new repressive legislation, the Kremlin is responding with batons and detentions to the entirely justified demands of Russian citizens for an increase in wages, pensions and other benefits. This can only serve to strengthen the resolve of the masses to fight for their interests.

The current social protests reveal characteristics that are new for post-Soviet Russia. They are taking place independently of the direct influence of the Stalinist parties; the majority of the protesters do not support openly nationalistic slogans and they are supported by social layers which up to now have not been directly involved in oppositional political activities.

To contact the WSWWS and the
Socialist Equality Party visit:

<http://www.wsws.org>