

## Argentina pushes proposal to nationalise pension funds

Argentine President Cristina Fernandez de Kirchner has signed a bill to unify the country's pension system into a public regime, following 14 years in which workers could opt for either a private or a public pension scheme.

The bill that will nationalise private pension funds needs to be approved by Congress. It would allow the government to collect the compulsory pension contributions of close to 3.6 million workers - worth some \$4.6 billion per year - who are currently in the private system.

'We stand before the end of an era on the world level, and this thing we are doing here today is a strategic decision,' said Fernandez de Kirchner, as she addressed several of her ministers and provincial governors in Buenos Aires Tuesday after signing the bill.

Fernandez de Kirchner called upon Congress to debate the proposal and appealed to legislators to 'rethink what model and what country' they were creating for future generations.

'I know there will be many pressures,' she said.

The opposition claims that the government is just seeking fresh funds, particularly some \$30 billion that the private pension system managed to accumulate.

Amado Boudou, head of state pension system ANSES, defined the state scheme as 'a distributing system ... administered by the state'.

If the bill passes, it will end 'the failed experiment' of allowing people to opt out of the public pension system, he said.

'We have heard talk of the government coming in to loot,' Boudou noted. 'Our only motivation is to rescue from uncertainty our future pensioners and those who are currently in the (private) system.'

The need to sign the bill became more urgent in the light of recent losses in private pension funds, which was made worse by the ongoing global financial crisis.

According to analysts, in the current setting, beneficiaries of private pensions would get less than their public system counterparts, although this would be subject to fluctuations in line with financial market movements.

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