

Syriza launches drastic attack on pensions under terms of EU bailout of Greece

Alex Lantier
17 October 2015

Early this morning, Greek legislators voted to implement a first round of social cuts under the terms of the European Union (EU) austerity bailout agreed by Prime Minister Alexis Tsipras in July. Tsipras relied on 154 legislators of the coalition government between his Syriza (“Coalition of the Radical Left”) party and the far-right Independent Greeks to pass the measure in the 300-seat parliament.

The EU required Greece to take the so-called “prior actions” in order to receive the first €2 billion slice of the full EU bailout, which adds a total of €86 billion in all to Greece’s sovereign debt. The “prior actions” include deep pension cuts, tax increases for farmers, the privatization of Greek regional airports, and measures to curb tax evasion.

The Syriza government is working closely with the EU to eliminate fundamental social rights won by the European working class in the 20th century. After the EU and the Greek government agreed in 2011 to eliminate universal health care, by requiring the unemployed to pay for their own care, Syriza is preparing what amounts to the liquidation of the right to a publicly funded retirement.

Pensions are to be cut by increasing penalties on early retirement, and by imposing a further 20 percent cut in the minimum pension for new retirees, which will be reduced from €486 to €392 per month.

The impact of this cut by itself will be devastating. Fully 45 percent of Greek retirees live below the official poverty line, and the average monthly pension in Greece fell from €1,350 in 2009 to €833 this year under the impact of cuts. With one quarter of workers unemployed in Greece, moreover, retirees often provide the only income in entire families, and the pension cuts will devastate the lives of millions of people of all ages.

These measures are only the prelude to a more far-

reaching attack on pensions that is to be debated starting next week, however.

According to proposals sent Thursday to Labor Minister Giorgios Katrougalos, the current pension system is to be replaced with a mixed system, comprising both a basic and a contributory pension. The basic pension, currently set at €360 monthly, would be means-tested, with wealthier retirees receiving less than the full benefit, while the size of the contributory pension will reflect the size of pension contributions made by the pensioner during his or her employment.

The pension reform, which Syriza has pledged to present to the EU by the end of the year, is to be submitted to discussion by the “social partners,” that is, the Greek employers’ federation and union bureaucracies.

The committee of so-called “Wise Men” who assembled the proposal did not spell out concretely what these unpopular pension cuts will mean for retirees. Though they had been tasked with providing a full actuarial report on the finances of their proposed program, the right-wing daily *Kathimerini* complained, their report “contained no figures and left the government to decide on all the tough issues, such as pension cuts, new taxes, the adjustment of contributions, and income criteria for pension levels.”

The experts pleaded a lack of time to assemble the necessary statistics—a point that further underscores that the project was dictated not by an objective examination of the social needs of the Greek population, but the economically destructive agenda of the EU and Syriza.

Despite the lack of statistics, however, these proposals are clearly intended to lay the political groundwork for the destruction of public pensions. By

means-testing the basic pension system and making it contribute an increasingly negligible proportion of the pensions of affluent or wealthy taxpayers, it will undermine support for basic pensions in the upper middle class, setting the stage for a longer-term drive to eliminate them altogether.

The debate over the “prior actions” in the Greek parliament, in which every major party is on record as supporting deep EU austerity measures, was a cynical farce. Tsipras appeared before the parliament and spoke to defend his agenda from tactical criticisms by right-wing opposition politicians.

“There are no new measures, there are just difficult measures that we all knew about when we voted for the agreement in August,” he said. “What exactly are you pretending to be today? Against the memorandum? For five years, you agreed to do whatever the lenders told you, without negotiating.”

The hypocrisy of Tsipras’s right-wing critics is dwarfed by that of Tsipras and Syriza. They won an election in January based on promises to end the EU austerity memorandum, and organized a referendum on EU austerity in which the “no” vote carried by 61 percent. In line with the interests of its affluent middle-class base, however, Syriza is now ramming through a series of austerity measures and bank bailouts designed to save the Greek banks and Greece’s ties with the EU and NATO at the expense of the working class.

A woman in the parliament shouted to Tsipras, “The Greek people voted No,” and waved a homemade T-shirt with the slogan “You degraded democracy.”

As Syriza moves to put into effect the first of the major new social cuts it has agreed upon with the EU, masses of workers are being brought face-to-face with the political treachery of Syriza and its cheerleaders in the “radical left” parties internationally.

These forces, who posture as “militant” or “anti-capitalist,” long dominated mass protests and trade union-organized strikes against EU austerity, while insisting that workers subordinate their demands to what could be obtained from talks between the EU, the Greek state, and the unions. Now, it is ever more clear that all these parties and institutions, Syriza included, aimed to impose historic attacks on the working class.

Exploiting the lack of organized working-class opposition to their policies, they limited anti-austerity protests to what could be reconciled to the framework

of the EU; that is, they strangled these protests completely. The class agenda underlying these policies emerged when Tsipras frankly laid out his pro-business agenda in his recent trip to the United States.

Asked by former US President Bill Clinton at the Clinton Global Initiative in New York whether investors’ money was safe in Greece under the Syriza government, he replied: “Foreign investors are welcome, and they will find a government with a clear mandate to bring about change to the country... In a few years, Greece will become a prime destination for foreign investment, this is my opinion and my desire.”

As his pension policies show, Tsipras intends to attract investment by offering up Greek workers as cheap labor, stripped of all their social rights, and returned to conditions of exploitation not seen in Western Europe for decades.



To contact the WWS and the
Socialist Equality Party visit:

wsws.org/contact