

Syriza presents plan for drastic pension cuts

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On Monday, the Syriza (“Coalition of the Radical Left”) government of Greek Prime Minister Alexis Tsipras sent a draft pension reform plan to Greece’s creditors (the IMF, the ECB and the European Commission) in exchange for obtaining €5.7 billion in bailout funds. The bill is reportedly to be submitted to parliament by mid-January and will be voted into law by early February.

The cuts mark a new milestone in the attack waged on the working class by the charlatans of Syriza. Having come to power a year ago promising to end European Union (EU) austerity, they capitulated to EU demands for more austerity measures in the summer and passed a drastic austerity budget in October. Syriza is now working closely with the EU to impose the spending cuts required under this budget.

After re-election in September, Syriza approved a law in November scrapping most early retirement benefits, raising the retirement age to 67 years by 2022, cutting pensions by 10 percent for people below that age who have retired but have yet to reach 67, and increasing contributions for health care.

The new pension cuts will devastate millions of families who depend on pensions to survive. 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 in 2015 under the impact of deep EU austerity. With one-quarter of workers unemployed in Greece, moreover, retirees often provide the only income for entire families, and the pension cuts will devastate the lives of millions of people of all ages.

The plan reportedly calls for merging all six main pension funds and cuts of up to 30 percent in pension payments. It mandates a lower limit for pensions at a miserly €384 per month. It also boosts social security contributions demanded of businesses and employees by 1 percent and 0.5 percent, respectively.

There will also be cuts of 10 percent to the lump sums paid out at retirement, and cuts of 15 to 20 percent to supplementary pensions of more than €170 per month. The Greek daily *To Vima* wrote reassuringly, “However the government aims to keep [the cuts] as low as possible.”

The 170-page proposed bill includes dramatic changes in the calculation of new pensions. Pension payments will be calculated based on the average income earned throughout one’s working life. According to reports, with the new pension reform, people who have worked for around 40 years will cover approximately 60 percent of the average income they earned over these 40 years. New retirees due to receive more than €750 in monthly pension payments will see that cut by 15 percent.

The pension cuts come after Syriza endorsed harsh austerity terms, including overhauling the pension system, labour market reforms, as well as changes to the tax system and other austerity cuts proposed by the EU last July, in exchange for an €86 billion bailout deal. In exchange for bailout terms, the EU and the IMF demanded €1.8 billion in pension cuts next year, representing 1 percent of gross domestic product.

While applauding Syriza’s plan of imposing drastic austerity measures, the EU officials are pressing the Greek government to move ahead with pension cuts.

As Syriza prepares to push forward with new reforms, Syriza officials are planning to meet with EU finance ministers and IMF officials in the coming days, to convince them of the Greek government’s ambitious plan to drastically reduce pension payments for retired workers. Greek Finance Minister Euclid Tsakalotos will meet with his German counterpart Wolfgang Schäuble in the coming days.

On Monday, Pierre Moscovici, European Commissioner for Economic and Financial Affairs told iTélé, “Until now, the Greek government has respected

its promises. But it must also respect its promises on pensions, there must be a real pension reform. We can discuss the details, but there are parameters that must be respected. By the end of January, this pension reform must have gone through.”

The same day, Tsipras stressed the importance of cultivating alliances with international creditors at a meeting in Syriza’s office. Tsipras aims to meet with IMF director Christine Lagarde at Davos later in January.

While preparing drastic attacks in line with EU plans, Syriza is cynically covering up its strategy of slashing the pension system. It is trying to portray its unpopular pension cut as a positive measure and spread the blame for social attacks over previous governments, thus obscuring its role in imposing attacks against workers’ pension rights.

“The government is trying to avert the collapse of the social security system ... the opposition parties must lend support in this national goal,” said government spokeswoman Olga Gerovassili.

She blamed previous governments for drastic cuts in benefits during the debt crisis. “The average (monthly) pension was €1,480 in 2010 but ended up at €863 when the [conservative] New Democracy and [social democratic] Pasok gave up power,” she said.

The plain truth is that Syriza is committed to imposing drastic austerity, and the only way to combat austerity is now to mobilize the working class in Greece and across Europe in struggle against Syriza and the EU.

Syriza has now been in power for nearly a year. Based on its record in government, workers must assume that its assurances that it is seeking to protect pensions as much as possible are outright lies. It came to power pledging to end the EU austerity Memorandum, but a few weeks later repudiated its promise and extended the Memorandum. In July, it held a referendum on EU austerity and called for a “no” vote, but reacted to the landslide “no” vote by trampling the referendum results and imposing a draconian austerity package.

Syriza’s current pledges to defend pension rights will prove to be as worthless as its previous pledges to end austerity.

In an interview with *Real News* on Sunday, Prime Minister Alexis Tsipras claimed his government “will

not succumb to unreasonable demands” but that it will “respect the agreement.”

Tsipras said Greece will cut its pension system through measures worth about €600 million this year. He then spoke out of both sides of his mouth, claiming that “we have no commitment to find the money exclusively from pension cuts,” and that “the agreement provides the option of equivalent measures”, suggesting that the cuts might fall on other programs besides pensions.

He went on to claim that the pension system is “on the brink of collapse”, however, and needs to be overhauled.



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