Syriza government cuts pensions and privatises state property in Greece

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The month of July began for thousands of Greek retirees with drastic cuts to their pensions. The pseudo-left Syriza government is currently imposing a reform of the pension and social security systems which was adopted in May.

In a first step, they cut the social security bonus (EKAS) for pensioners retroactively from 1 June. The goal is the gradual elimination of EKAS. This reform will affect those who already only have small pensions and are dependent on the state benefit to survive.

Around 150,000 pensioners, 40 percent of the 380,000 entitled to claim the benefit, lost their entitlement. According to Greek daily *To Vima*, the cutbacks have now more than doubled the cuts agreed in 2015. At that time, the talk had been of 20 percent of pensioners losing EKAS.

To date, pensioners with an annual gross income of less than €8,472 were able to claim a benefit which, depending on the level of their income, ranged from €57.50 to €230. Pensions up to €9,884 or family incomes up to €13,500 were topped up with a €30 benefit. This €30 benefit has now been completely eliminated, while the other benefits will apply only to gross incomes up to €7,972, around €664 per month.

Thousands of retirees draw a mini pension which is slightly more than €664 per month. They will thus lose all entitlement to EKAS. Anyone who has retired and is entitled to EKAS only receives the benefit at age 65. People with disabilities who have retired early will also either lose the benefit or receive a reduced amount if they are more than 80 percent disabled.

In addition, further cuts to pension benefits of up to 40 percent will take effect in August. Pensions in Greece are so low that most people claim pension benefits. Due to numerous rounds of cuts, the gross monthly income of pensioners has dropped from €1,200 to €833.

The austerity measures also include a plan to cut the minimum pension from €486 to €345 for someone with 15 years of pension insurance contributions. The monthly limit for tax-free earnings has also been reduced so that many workers and pensioners now confront additional costs.

While the Syriza government is throwing pensioners into even more dire poverty, they are also selling off state property to foreign investors.

Last week, the parliament signed off on the sale of the state port company in Piraeus (OLP). Prior to this, port workers in Piraeus and Thessaloniki, whose port is also to be privatised, went on strike. Apart from the Stalinist Communist Party (KKE) and the fascist Golden Dawn, all parliamentary parties voted for the privatisation.

The buyer is the ocean carrier China Ocean Shipping Company (Cosco). For €368.5 million the company will receive a share of 67 percent in the port authority until 2052.

A further deterioration of working conditions is to be expected following the privatisation. Cosco, which has owned half of Piraeus port since 2009, wants to turn it into “a hub for container transportation between the Far East and Eastern Europe, including the Balkans,” as the Cosco president said when signing the deal.

Over recent years, the port workers’ union has repeatedly complained of arbitrary lay-offs, cuts and abuse of employee rights.

As early as 2010, the *Eleftherotypia* newspaper published an article with the revealing title “Medieval working relations at the port,” in which 13 typical conditions in a contract between Cosco and Greek port workers were exposed. Included in the first three conditions were the provisions that everyone would be hired as an unskilled labourer, that the company could relocate workers at any point without consent and that wages of €40 for an eight-hour workday were fixed and would only be paid at the end of the month. In the case of illness, Cosco was permitted to appoint a doctor to examine the worker. Workers were banned from forming a works council.

At the time, Syriza, then in opposition, was among the sharpest critics of the port privatisation. In 2009, Alexis Tsipras visited striking port workers in Piraeus with Theodoris Dritsas (also Syriza). In his speech, he railed against the government and described the contract with Cosco as “colonialist.”

Two years ago, port workers once again struck against the inhumane working conditions at Cosco. They complained of low wages, a lack of breaks, inadequate staff and 16-hour shifts. But the workers’ resistance was shut down with a few promises and concessions.

Syriza continued to verbally proclaim their support for port workers in 2014. But as the *World Socialist Web Site* commented at the time: “Such rhetoric, which purposefully refrains from criticising the working conditions in Cosco’s facilities, gives the signal to Chinese and other foreign investors that a government under SYRIZA would mean business as usual.”

Today it is clear that Syriza is not only continuing the right-wing policies of its predecessors, but accelerating and extending them. Dritsas is now minister of shipping and island policy, and brought the agreement to sell the port through parliament after the government reached agreement with Cosco on some outstanding legal matters.

A day after the parliamentary vote, Prime Minister Tsipras travelled to China to meet with the country’s president, high-ranking government officials and a number of company chiefs. His travel plans included significant companies such as the Wanda Group (industrial property and culture), the telecommunications firms Huawei and ZTE, the IT firm Alibaba group, the Fosun conglomerate (finance and industrial sector) and the shipping company Cosco.

Along with several government representatives and 40 heads of business, the Greek delegation included the president of the TAIPED privatisation authority and the head of Enterprise Greece, which aims to lure foreign investors into Greece.

On his trip, Tsipras emphasized Greece’s important geopolitical position in the current global context. The country could “become an extremely important transit hub, a bridge which connects the Western world and Europe with China, a great world power.”

The “excellent cooperation” with Cosco was useful for both sides, according to Tsipras, and opened the way for stronger strategic collaboration. It was now necessary to talk about the “modernisation of the railway network to Western Europe, as well as a series of other projects.”

These are not empty words. Cosco has already shown an interest in other Greek privatisation projects in the areas of transport and infrastructure.

Tsipras also announced that Greece would become a member of the China-led Asia Infrastructure Investment Bank. China founded this multi-lateral development bank in 2014 as a competitor to the World Bank and International Monetary Fund, which are under the control of the United States.

Prior to his China visit, Tsipras welcomed German SPD leader and minister for economy and energy Sigmar Gabriel in Athens. Gabriel brought 40 heads of business with him and some members of parliamentary parties.

A few days after the Brexit vote, Gabriel hailed the “solidarity” with Tsipras, as *Spiegel Online* commented. “We progressive leaders in Europe must stick together,” declared Tsipras, and repeated his mantra that the austerity policies would soon end. Gabriel praised the “reforms” in Greece. He said that Tsipras had to work on changing the structures in the country so that German firms could invest there.

In fact, it is the austerity dictates forced on Greece by the German coalition government (which includes the SPD) which have brought the country to the brink of a social explosion. German companies now want to profit from the sell-off of state property and low wages. They find their closest partners in this effort in Tsipras and Syriza. Germany’s Fraport has already bought the rights to 14 regional Greek airports.