Greek power workers threatened with state strikebreaking

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Workers at the Public Power Corporation (PPC) in Greece began a 48-hour strike from midnight on Wednesday. The strike is in protest against government plans to create a so-called “small PPC” by selling off 30 percent of the PPC to private investors.

According to the bill put before the Greek parliament this week, as part of the deal the “small PPC” will inherit 30 percent of the PPC’s productive power and 30 percent of its client base. The privatisation is one of a series of conditions demanded by the European Union (EU)-led “troika” in exchange for a €1 billion loan tranche this July as part of Greece’s overall bailout program.

While the strike had the capacity to impose a blackout on the entire country, in the end the action was reduced to a series of rolling power cuts by GENOP and Spartakos, the two unions representing different sections of PPC workers. According to *Kathimerini,* “GENOP’s trade union officials did not under any circumstances want to turn society against them. For this reason after their meeting [on Wednesday] they decided to soften their stance.”

In a statement to *Kathimerini* G. Adamidis, President of the Spartakos Union said, “There is no danger of a black-out. We are striking in all of PPC’s production plants and mines… No-one said that all units will be switched off simultaneously. The strikes will be scalable because no-one wants to plunge the country into darkness.”

The pseudo-left SYRIZA party, which postures as an opponent of privatisation, plays a prominent role within the power workers trade union along with PASKE—the union body of the social democratic PASOK, the discredited junior governing coalition partner of the right-wing New Democracy (ND).

In GENOP’s elections this June, SYRIZA and PASKE forces ran on a common ticket. Adamidis, a PASKE official, is tipped to become GENOP President in September. Fotopoulos was previously with PASKE, but is now with SYRIZA.

The unions are scaling down the action as they refuse to fight a government plan, as announced prior to the strike, to bust the strike by issuing civil mobilisation orders to strikers. With the order placing workers under martial law, they would then be ordered back to work under threat of mass firings, arrests and jail sentences. The unions fear that such a confrontation could spiral out of control, with the bureaucracy unable to keep the militancy of PPC workers in check.

Nominally reserved to “secure the national defence in a time of war and to face emergencies”, the civil mobilisation law has been employed by successive governments since 2010 to break strikes. This is in defiance of the Greek Constitution, which states that labour must never be coerced. Last year civil mobilisation orders were issued in May to break a nationwide strike by Greek teachers and prior to that in January of the same year to break a strike of Athens Metro workers.

The government’s readiness to seize authoritarian powers testifies to the deep decay of democratic norms in Greece since the first agreement with the troika was signed in 2010. Many within the government are calling for the orders to be issued, despite the climb-down by the union bureaucracy.

Minister of Administrative Reform and e-governance Kyriakos Mitsotakis asked, “Do we have to wait until irreparable damage is done? Can we not see what’s coming? I don’t think all strikes have the same impact on the wider society. I remind you that last year, civil mobilisation orders were issued to teachers in order to avert a strike and an anomaly in the midst of university entrance exams."

To soften up public opposition to the establishment of the "small PPC," much of the media is presenting the sale as a positive thing. An article that appeared on pro-business *Skai.gr* Thursday stated that the main beneficiary from the sale will be the PPC, "since the income from the privatisation will go to the company itself. In this way the PPC will be able to pay off debts, gain liquidity and move towards necessary investments that will automatically reduce the possibility of new price increases for the ordinary consumer."

In reality, the financial difficulties faced by the PPC are a direct consequence of its partial privatisation in 2001, when 49 percent of its stake was floated on the Athens stock market. What followed was a deregulation of the Greek energy market on the supply side, which saw the introduction of privately-owned natural gas and renewable energy suppliers.

The cost of incorporating these into Greece's power network was met by the PPC through public funding, while PPC's commercial agreements were overwhelmingly skewed in favour of the private corporations.

Attempts to deregulate the energy provider market at the consumer level were also made, but these failed badly. Hellas Power and Energa, the PPC's two private competitors, had their licences suspended in 2012, amid charges of fund embezzlement and the amassing of €23 million of unpaid bills to the PPC.

The cracks began to show after the financial crisis, as demand for energy fell, leaving the PPC struggling to pay its creditors. In an attempt to salvage its ailing balance sheet, the PPC tried to pass on costs to consumers. This had the opposite effect, as many households are behind with payments, with an increasing number having their power shut off altogether.

As the end of 2013, the PPC's total debt was €4.5 billion. At the beginning of April, it borrowed €2.2 billion from a consortium of Greek banks for five years at an interest rate of 6.5 percent. By the end of the same month, the PPC issued €500 million worth of bonds with three and five year terms—half of which, according to Standard and Poor's, will be used to pay off the loan borrowed at the beginning of the month from the banking consortium!

The PPC's ailing balance sheet will undoubtedly be used as a pretext for private investors to acquire the PPC's lucrative lignite mines and power plants for a pittance.

SYRIZA's main concerns regarding the privatisation is that it will hurt the Greek economy's competitiveness within Europe. Party spokesman Panos Skourletis recently explained: "Labour costs have fallen greatly, and energy is the main cost that makes Greek production expensive. It is a joke to speak of an outward-looking economy, and businesses with a focus on exports that can compete in the EU framework, with such high energy costs."

On Wednesday SYRIZA leader Alexis Tsipras visited a lignite mine and a steam-electric power station in the town of Amyntaio. In a speech, he announced SYRIZA would seek to force a referendum by gaining the signatures of 120 MPs out of 300, as prescribed by the Greek constitution. After a debate, it would then require a minimum of 180 votes for the referendum to take place.

So far he has managed to gain the support of the right-nationalist Independent Greeks and previous governing coalition partner and SYRIZA splinter, the Democratic Left. The Stalinist Communist Party of Greece (KKE) has so far declined to offer its support, without which SYRIZA will not reach the required 120.