Greece’s Syriza government presses ahead with privatisations

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17 June 2016

Amid mounting popular opposition, the Greek government of the pseudo-left “Coalition of the Radical Left” (Syriza) and its right-wing populist allies, the Independent Greeks (Anel), is rapidly moving ahead with the privatisations demanded by the European Union (EU).

Last year, the government agreed to a strict austerity programme with the EU, which, among other things, contains wide-ranging privatisations. After two austerity programmes were rushed through parliament at the end of May, the government has now turned its attention to selling off state property. In exchange for this, the state is to receive loans of €10.3 billion. The first tranche of €7.5 billion is expected to be paid out on 20 June.

Last week, the Syriza government sold the site of the former Elliniko airport in southern Athens for the bargain price of €915 million to property developers Lamda Development, the Chinese firm Fosun and the Abu Dhabi-based Al-Maabat. A private luxury district is to be built on the 620-hectare piece of land, which also includes a large stretch of beach. Along with parks and casinos, Lamda intends to construct luxury hotels and apartments for the super-rich.

The firm is largely owned by the old Latsis ship-owning family and is notorious for its corrupt dealings. In 2004-05, the building of a shopping mall in Athens by Lamda Development triggered a scandal because the deal upon which it was based with the government violated the constitution. The family of the billionaire and second-richest Greek, Spyros Latsis, is also the main shareholder of Greece’s third largest financial institution, Eurobank Ergasias, which profited from the EU’s bank bailout programme in 2012.

According to Greek media reports, another condition for the payout of the loans is the sale of additional parts of the Greek telecommunications firm OTE to Deutsche Telekom. Deutsche Telekom became a part owner of OTE in 2008 and currently owns 40 percent of the company, while the Greek state has just 10 percent. Half of this stake is now to be sold. Deutsche Telekom oversees OTE and has cut 3,300 jobs in recent years.

A similar destruction of jobs threatens the other institutions that are set to be privatised. At the same time, foreign investors and the super-rich in Greece are benefiting.

The privatisation authority TAIPED counted 25 concluded projects on its web site, including the Elliniko airport site, several hotel resorts, stretches of land, beaches and state property, as well as 14 regional airports, which are to be sold to the German Fraport. On Monday, TAIPED published a tender for the evaluation of the 23 airports remaining in state hands.

In addition, 13 ongoing privatisation projects were listed, among them the Astir Vouliagmenis beach and luxury hotel complex in Athens, Greece’s largest yachting marina at Alimos in Athens, both ports in Piraeus and Thessaloniki, ROSCO vehicle maintenance, the rail operator TrainOSE and the water provider in Thessaloniki.

A further 22 projects are being planned, including the Athens international airport, Athens’ water provider, the oil company Hellenic Petroleum, postal company ELTA, gas provider DEPA and the strategically-important Egnatia Odos motorway.

TAIPED was founded in 2011 at the insistence of Greece’s international creditors. According to the latest decisions, TAIPED is to be subordinated, along with three other institutions, to the new superfund Hellenic Company of Assets and Participations. This fund will also then own the newly-established corporation for public shareholders (EDIS) which will be responsible for privatisation in the transportation branch.

A glance at the organisational structure of the superfund reveals the extent to which European institutions intend to expand their influence on the Greek economy.

The general assembly of shareholders, i.e., the Greek state, represented by economics minister Euklid Tsakalotos (Syriza), makes all of the decisions about privatisations. But the management has been taken over by an executive team appointed and monitored by a five-person board. The European Commission and the European Stability Mechanism select two members of this supervisory board. The other three members are appointed by the Greek government but must be approved by the EU Commission and ESM.

The supervisory board and management will thus be largely controlled by the EU institutions, within which Germany has considerable influence.

But it is the Syriza government of Alexis Tsipras which is currently eagerly appealing for international investment. Deputy economy minister Giorgos Chouliarakis, who was involved in the negotiations of the third memorandum in 2015, told Greek newspaper *Kathimerini* on Sunday that Greece required “large public and private investment and a business friendly climate.”

As the talks with the euro group were still under way, Russian President Vladimir Putin completed an extended visit to Greece with seven ministers and the heads of the energy concerns Gazprom and Rosneft. He expressed interest in the Greek railway company, the port of Thessaloniki and Hellenic Petroleum.

A few days later, French Prime Minister Manuel Valls travelled to Athens and signed several agreements to strengthen Greek-French economic relations.

While workers and youth protested against the labour market reforms of the Hollande government, Tsipras praised in the highest tones Greece’s close cooperation with France, and demonstratively backed the Hollande government. The supposedly “left” Prime Minister proclaimed his solidarity not with French workers, but with the French elite. Both governments share a common hatred of their own working class.

Anger towards Syriza is also growing in Greece. After the party was voted into office in 2015 due to its anti-austerity rhetoric, it has emerged as a reliable partner of international finance capital and the European institutions. Current voter polls show Syriza losing significant support.

The latest poll from Kapa Research put the right-wing conservative New Democracy (ND) in the lead with 30.8 percent, ahead of Syriza, with 25 percent, a drop from its 35.46 percent in last September’s election. Third place was occupied by the fascist party Golden Dawn, with 8.7 percent. These figures must be treated with caution, because 30 percent of respondents selected none of the available parties.

The opposition to Syriza is in fact much greater, but it finds no expression within the political establishment. 76.9 percent of respondents evaluated the work of the government thus far as negative or quite negative. But all the opposition parties met with strong opposition; “negative” or “quite negative” was the evaluation given by 68.6 percent for the ND, 74.8 percent for the social democrats, 74.9 percent for the Stalinist KKE and fully 89.9 percent for Golden Dawn.

The mounting opposition to the privatisations and austerity policies of the Syriza government is finding expression in strikes and protests. Workers at the ports in Athens and Thessaloniki have been on strike for two weeks, warning strikes have taken place for several days on Athens’ public transportation system, and on Tuesday, workers at the national rail and Athens city trains joined the strike.

Last week, employees in the education and health care sectors demonstrated against terrible conditions in public schools and hospitals. The deputy health minister Pavlos Polakis (Syriza) was detained on a visit to Ierapetras hospital on the island of Crete by several hundred angry residents and workers demonstrating over the lack of staff and catastrophic working conditions.

Syriza is responding to rising opposition with repression. At the beginning of this week, the government cleared all unauthorised refugee camps in northern Greece. The police mobilised 300 officers, sealed off the area and prevented media from entering. At least 38 foreign volunteers were temporarily held in police detention. The refugees are now being confined in state detention camps in which inhumane living conditions are rampant.