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CHINA AND GERMANY PROFIT FROM FORCED PRIVATISATION

Greece is sold off and sold out

Greece's public assets, including ports and airports, went at discount prices to predatory buyers who will deprive the state of much-needed revenue.

BY NIELS KADRITZKE

Sonja Sidoroff

THE latest study from the Transnational Institute (TNI) on the effects of the 'privatising industry' in Europe concludes that 'there is no evidence that the privatised companies are more efficient'. Instead, privatisation has undermined wage structures, made working conditions worse and increased income inequality.

Greece is a textbook case. During the debt crisis the country's creditors forced it to sell or lease as many public and semi-public companies as possible, with the sole aim of paying off the government debt. This selling off of public assets is the most absurd part of the 'rescue programme' imposed by the troika that has kept the Greek economy in recession for seven years. Forcing a bankrupt state to privatise public companies in the midst of a crisis always means selling them at discount prices, say the authors of the TNI study. Even the 'family silver' can't be sold off at a fair price during a deep recession; selling it is an act of embezzlement.

That is true regardless of the social pros and cons of having a public sector. Things are admittedly more complicated in Greece than elsewhere, because there are arguments for privatisation in some areas. For example, some state enterprises that provide essential services such as power or transport links have a secondary raison d'être: to provide well-paid, secure and often easy jobs for the supporters of the government of the day, at the expense of the customer and the taxpayer.

This explains why the sale of public service providers was not at all unpopular with many Greeks. A large majority were in favour of the earlier part-privatisation of the telephone company OTE (now Cosmote) and flag carrier Olympic Airlines, and believe they now function better and are more customer-friendly. As late as April 2011 more than 70% of Greeks thought privatisation was 'generally necessary'.

Another consideration is the state's empty coffers. If selling public companies or buildings brings about investment (...)

Full article: 2 128 words.

Niels Kadritzke

Niels Kadritzke is editorial director the German edition of *Le Monde diplomatique*. This is an abridged version of the article published on his blog 'Nachdenken über Griechenland' (Thoughts on Greece); www.monde-diplomatique.de [http://www.monde-diplomatique.de]

(1) Sol Trumbo Vila and Matthijs Peters, 'The Privatising Industry in Europe [https://www.tni.org/files/publication-downloads/tni_privatising_industry_in_europe.pdf]' (PDF), Transnational Institute, Amsterdam, February 2016.

(2) Informal group of the European Commission, European Central Bank and International Monetary Fund that has imposed a series of economic adjustment measures on successive Greek governments, in return for further loans

(3) www.publicissue.gr/publiciss... [http://www.publicissue.gr/publicissue/1733/private-sector] (in Greek).

(4) See Pierre Rimbert, 'China lands in Greece' and Panagiotis Grigoriou, 'Greece not even getting by', *Le Monde diplomatique,* English edition, February 2013 and April 2014.

(5) These details were revealed by independent Greek website The Press Project [http://www.thepressproject.gr/].

(6) www.embassynews.net/2016/01/... [http://www.embassynews.net/2016/01/21/cosco-group-obtains-67-of-piraeus-port-authority]

(7) Copelouzos made his money in energy and infrastructure, thanks to his political connections in Greece, and his contacts with Russian group Gazprom

(8) *Börsen-Zeitung,* Frankfurt am Main, 27 February 2016.

(9) A list of the conditions imposed on Greece has been published by The Press Project.

(10) Sol Trumbo Vila and Matthijs Peters, op cit.