

Piraeus port in Greece spans across Piraeus and four adjacent cities: Drapetsona/Keratsini, Perama and Salamina. The Piraeus Port Authority - PPA is the largest port operator in Greece and one of the most important in Europe. Its infrastructure and activities include container handling, coastal shipping, cruises, car handling and ship repair. In October 2009, following an international tender, the PPA granted the Piraeus Cargo Terminal SA (PCT), a subsidiary of COSCO (one of the largest container-terminal operators globally), the concession of Container Pier II for thirty-five years.

The deal also stipulated the construction of Container Pier III. Six years later, the Greek government agreed to privatise the PPA as part of the third bailout agreement signed with the European Commission, the European Central Bank and the International Monetary Fund in August 2015, which contained austerity measures and privatisation obligations. As COSCO was the sole bidder in the 2016 tender, it acquired 51 per cent of the PPA and will gain a further 15.7 per cent in 2021.

The privatisation process of Piraeus Port started in 2005–2006 as part of an economic reform programme by the conservative (New Democracy) government of the time. Although the social-democrats (PASOK) and the left (SYRIZA) voted against it when in opposition, they eventually supported the PPA's privatisation when they formed governments, in 2009 and 2015, respectively. From 2014 onwards, COSCO's presence in Piraeus has been linked to China's Belt and Road Initiative, and has been used by both the Greek and Chinese governments as an example of a win-win project. Conversely, trade unions, local communities, environmental groups and parties of the left have long opposed the privatisation for being unnecessary since the PPA under public ownership was profitable, for diverting profits from the local economy to shareholders, and for facilitating the casualization of employment and an overall decline in labour standards. Characteristically, in 2009–2010 the concession of Container Terminals 2 and 3 resulted in the loss of 500 full-time jobs. Up to 2019 around 1500 jobs had been created in the PCT/COSCO area, yet 90 per cent of them are part-time, while there is no collective bargaining agreement.

Throughout the privatisation process, the various environmental implications of the two deals were given secondary importance. Even before 2008, there were several problems emanating from port activities, but they have since intensified considerably, including air pollution from cars, tour buses, container trucks, cargo and passenger ships; water pollution from ships; noise and light pollution from ships and the operation of port machinery; the

location of fuel silos within the urban area of Perama; and the future of the vacated fertiliser plant at Lipasmata. People's grievances have focused mainly on air pollution and traffic, and on the port's expansion that shut off land and blocked access to the seafront. These issues have been raised by grassroots movements and channelled through local MPs and the local government, but bottom-up initiatives were more effective when the PPA was under public ownership.

In the 2008 concession of Cargo Terminals II and III, references to environment protection were vague and stipulated no penalties. In 2009, PCT/COSCO proceeded with the expansion of Pier III, without public consultation and despite opposition by both the authorities and citizens of Perama on environmental grounds. Furthermore, grievances on noise and light pollution, as well as on emissions from ships and cargo terminal machinery, were directed to the publicly owned PPA, which had no legal right to interfere in the concession part of the port. Since 2016, the point of contention has been the COSCO-owned PPA's new Master Plan, which covers all existing port operations and future infrastructure upgrades. During this period, COSCO submitted seven different versions of the Master Plan, all of which were rejected on technical, financial and environmental grounds.

According to sources within the PPA, the Chinese management lacked the necessary know-how on compliance processes, treating it as a bureaucratic box-ticking exercise. This was partly because the conservative government, under which the 2008 Concession agreement was signed, imposed regulatory standards with laxity. This changed under a new government in 2015, resulting in COSCO being unprepared and unwilling to comply with the existing regulatory framework.

Although most of these investments have a major environmental impact, public consultation never took place, while the required Strategic Environmental Impact Assessments (SEIAs) have yet to be completed. The controversial expansion of the cruise terminal, 95 per cent of which will be funded by the EU, is the most characteristic example. Without public consultation and an SEIA in place, local citizens have mobilized to oppose the proposed expansion due to air pollution caused by engines in constant operation of cruise ships hoteling close to residential areas. Other investments, including the development of a 42,000 sqm logistics centre and the upgrade of the ship repairing zone have also raised important environmental concerns as they will increase marine and road traffic in already congested areas.

The PPA Privatisation Law, which ratified the agreement between the Greek government and COSCO, limited the scope and weakened the compulsory character of the consultation process. First, it restricted consultation to the jurisdiction of the Municipality of Piraeus,

excluding adjacent municipalities that are more affected by port activities. Second, Article 6.6 stipulated that the consultation process will not have the power to stop or delay any project with pre-existing approval, in effect rendering the whole process an empty shell. This partly reflected the weak position of the Greek government which, under the EU bailout agreement, had to rapidly privatise the PPA. To make matters worse, in the first round of consultation, civil society and major NGOs such as the World Wide Fund for Nature (WWF) were excluded. The municipality of Piraeus organised its own consultation, but without a Master Plan to scrutinise, civil society groups were not given the opportunity to discuss the significant environmental, social and economic impacts of COSCO's plans. Although several unused land areas of the PPA were permanently given to local municipalities, the Piraeus Municipality, the regional government of Attica and civil society organisations raised environmental concerns on COSCO's plans for the port and complained about its lack of commitment to meaningful public consultation.

Since the privatisation, local communities have mobilised around the expansion of the cruise terminal in Piraeus and the removal of fuel tanks in Perama, organising public meetings, demonstrations, and petitions to local authorities. In Piraeus, more than 5,000 people have signed against the expansion of the cruise terminal, but COSCO, unlike the PPA management under public ownership, has repeatedly refused to meet with civil society representatives. In October 2018, residents of Perama protested against COSCO's trespassing on municipal land as part of Cargo Pier III expansion works, causing the immediate intervention of the municipal and regional government authorities that forced COSCO to withdraw. Despite constant pressure from the Chinese Embassy in Athens and Chinese officials, the Master Plan that includes the SEIAs for all agreed and proposed infrastructure upgrades was not approved by the SYRIZA government, which insisted on COSCO complying with the environmental legal framework. However, COSCO's port operations continue uninterrupted, taking advantage of the port's importance for the national economy at a time of recovery from a decade of crisis.

To sum up, COSCO has brought its own understanding of environmental issues as of secondary importance in its port operations in Piraeus, treating compliance as a matter of bilateral negotiation. Similarly, the combination of lacking know-how on EU and national environmental standards and the experience of their lax enforcement under the 2008 Concession deal, has made the Chinese management unwilling to adapt to demands for a more regulated, responsive and transparent mode of operation post-2016.

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