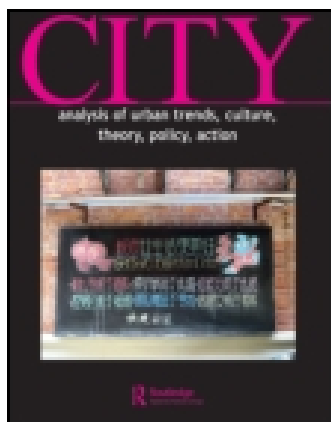


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Crisis and land dispossession in Greece as part of the global ‘land fever’¹

Costis Hadjimichalis

The exploitation of land, but also of natural elements linked to it—such as water, forests, landscape, the subsurface and biodiversity—nowadays comprise investment targets for local and international speculative capital at some unprecedented extent, intensity and geographical spread. From 2009 on, Greece became a target country due to the current crisis which has decisively contributed to the de-valorisation/depreciation of the exchange-value of land, decreasing monetary values by 15–30%—depending on the area—when compared to 2005 prices. The special legal status imposed by the Troika as of 2010, forms a lucrative environment for speculators—investors, dramatically altering the legal, constitutional order and imposing something of a semi-protectorate status upon the country. This short paper explains how the crisis in Greece made public land via privatisations a major target for dispossession by global and local capital.

Key words: public land dispossession, Greece, crisis

After four years of ultra-austerity policies and despite the recent ‘success story’ propaganda by the Greek government and Brussels’ officials, the Greek economy remains highly vulnerable and the society is exhausted from unemployment, poverty and social welfare cuts. There is, however, a major ‘success’ in these four years of class war: crisis and ultra-austerity policies made possible the *de-valorisation of two of the most valuable social assets of Greece, the labour power of the highly educated young generation and private and public land*, including land-related resources such as minerals, water, biological diversity, landscape and more. These assets are ready for dispossession by Greek and foreign capital and speculative funds. The first, the young generation, is de-valorised through

domestic unemployment—60% for young people—and disposed through migration abroad, a classical case of ‘brain drain’.² employers and places of destination enjoy not only surplus value from highly skilled labour but also net gains because they have paid nothing, not even a cent, for their social and educational reproduction.

The second social asset, land, because it is immobile should be de-valorised and disposed *in situ* to secure monopolistic rents for speculators. This became possible first, due to the current crisis during which land and housing lost 20–35% of their commercial value since 2008; and second, due to those undemocratic and authoritarian permanent conditions of exceptions introduced by the Troika and the Memoranda which imposed massive public land privatisations

in a very short time. Of course, Greece is not unique in this situation, other Southern European countries are facing similar conditions and we may also recall the violent re-introduction of capitalist relations in Eastern Europe since 1989.

The exploitation of land nowadays comprises investment targets for international speculative capital globally at some unprecedented extent and intensity; an operation that is nevertheless difficult to discern, since it is not systematically accounted for, in the global South in particular. Nevertheless, NGOs (non-governmental organisations) and progressive research centres have located thousands of cases that strongly resemble three well-known Greek examples.

In Chalkidiki, in Central Macedonia, from 2010 on, local communities have been resisting the transformation of their land into an open cast gold mine by the Canadian company Eldorado Gold, following increasing international interest in extractions (known as *extractivism*, see Velegrakis 2013). Chalkidiki is known for its wonderful beaches, which attract millions of visitors from around the world. Yet it is also historically known for its gold and silver extraction mines—and from 1950 up to the present date, consecutive companies continue the extraction of gold in caves; despite numerous environmental problems, local communities tolerated mining activity because it created employment. Yet the present case is different. The Greek government, hungry for foreign investment, agreed to long-term contracts for the exploitation of the deposits for a ludicrously small sum—ceding 317,000 stremmata (31,000 ha), ignoring both the devastating impact upon the environment and the health of the residents from the open cast mining. These irreversible and negative consequences have mobilised thousands of residents and the Left who protested, tried to occupy the premises of the company, clashed with the riot police, while villages encountered tear gas for the first time and tens of school pupils were accused of being ‘terrorists’

(*AVGI* [newspaper], 4 February 2014, in Greek).

At the other end of the country, in southern Crete’s Cape Sidero, a large stretch of land of approximately 25,000 stremmata (2500 ha) is targeted by the English company Itanos Gaia (ex-Loyalward) for the creation of combined tourist units which, according to the initial proposal, would include luxury hotels with a capacity of up to 7000 beds; three golf courses; a conference centre; two marinas and a large number of summer residences, which will be made available through leasing and time sharing. The investment was originally announced in the mid-1990s; it had been supported by all governments since, yet it has faced strong opposition by parts of the local population, by the Left and by Greek and international environmental organisations—and it was eventually cancelled following appeals to the Constitutional Court in 2010. Today, it returns under a new name, *Itanos Gaia*, with 1936 beds and a single golf course, but with the same area and the additional insertion in legislation of the possibility of large-scale investments under the so-called ‘fast-track’ regime—that is, swiftly allowing for projects under limited regulations and controls. The area of the investment comes under the disputed ownership of Moni Toplou, the monastery that had conducted the negotiations with the English company in the first place. It includes the renowned palm forest of Vai, while its largest section is under archaeological and environmental protection, since it is a NATURA 2000 area (Melissourgos 2008).

At the coastal front of Attica, an area of 6200 stremmata (620 ha) that includes the old airport of Elliniko and the Agios Kosmas beach is being advertised as the largest urban plot in the Mediterranean—with some formidable building facilities. It comprises the jewel in the crown of the land-privatisation programme being materialised as part of Greece’s commitments through the Memoranda. A key role in the readjusted institutional system is held by

the Hellenic Republic Asset Development Fund (HRADF), while a special planning law was introduced, the *Plan of Integrated Development of the Metropolitan Pole of Elliniko and Agios Kosmas*.

The airport ceased to operate in 2001; some permanent Olympic facilities were constructed in the area since, which remain inactive up to the present date—even though neighbouring municipalities have protested against development plans. Despite the lucratively low price tag placed by the state, and despite the numerous development plans and potentially monopolistic location of this area, Elliniko has attracted only a handful of investors—out of which Lamda Development, which belongs to the Latsis ship-owning family, made an offer of 75 euros/m². The offer was accepted by the HRADF, even though neighbouring plots of land have an objective land value of 1100 euros/m². On the other hand, the neighbouring municipalities, tens of organisations and initiatives, and the Left have all been resisting and mobilising by all means against the privatisation and the cutting off of free access to the shore by future ‘investors’ (Vatavali and Zifou 2013).

Similar examples at even larger scales exist everywhere around the world. The violent interventions of large international companies in Latin America and in Africa aimed at the grabbing of cultivatable land, water and biodiversity from the locals are well known and they mirror colonialist endeavours. In southern Asia and in Polynesia, luxury tourist complexes assert exclusive claims over vast coastal areas and small islands, violently replacing the traditional economy. Real estate investments surpass even the wildest of imagination in the Emirates of the Gulf, which compete with one another in the creation of luxury through unashamed constructions in the middle of the desert. Moreover, in Europe, one only need take a careful look at London, Paris or Berlin to locate the importance of land and property in the attraction of real estate investments.

In the western Mediterranean, the tourist prototype of the combined unit including real estate and golf facilities—just like the one at the Toplou monastery—with the aid of scandalous spatial policies by local regional authorities, has grabbed vast areas of cultivatable land and water resources and has contributed to the bursting of the housing bubble in Spain. In formerly socialist countries such as Poland, Romania and Bulgaria, we see the contemporary violence exercised for the privatisation of land, both urban and agrarian.³ In ex-Eastern Germany in particular, privatisations are materialised by Treuhand, a company whose coordinator was Wolfgang Schäuble, a person well known to us by now because of his role in drafting ultra-austerity plans throughout Europe. The experience of Treuhand has inspired the founding and the operation of the HRADF in Greece.

I approach the previous examples as land dispossession because they outline a *shrewd act that takes place through violence and deceit*. In the case of land, what is of utmost importance is the status of social relationships and the balance of class and political forces that define, at any given historical period, the relationship of the society in question with that land. Land, after all, is a social relation, not a thing. Under capitalism and after the violent enclosures of common land, it became a fictitious commodity. These common areas included crop fields, forests, lakes and rivers used by the landless—and whose violent enclosure therefore deprived them of access to common resources necessary for their survival—such as the produce of cultivation, prey, the produce of the forests, water, etc. In certain parts of the global South today—and despite the collaboration of national governments—one can see the practice of the enclosure of common land for the violent interference of international or national companies, for the purposes of extractions, deforestations, mass cultivations, etc. In these areas, capitalist relationships have not fully developed and/or there is no detailed recording of property.

In the global North, the development of capitalist relations of production and the operation of cadastres have safeguarded the individual/private and public ownership of land; there is no longer any 'common land' in the sense this used to have, and enclosure as a notion may now only be used as a metaphor.

In Greece, the most important target of dispossession is the public land when (a) there exists unauthorised and illegal occupation, building on and use of public areas; (b) when transactions of public land take place (selling, allocation or lease) under terms and fees that cause loss to citizens; (c) when public land, building, infrastructures and services are privatised; and (d) when institutions are altered or formed to facilitate the trespassing, privatisation or selling off of public land (declassification of protected areas/buildings, change in land uses, decrease in the thresholds of land segmentation, etc.).

Greek and international examples set out the questions that have led me to write the book to which this text is part of the introduction: the quest for the thread connecting on the one hand, the strong interest in land investments after 2000, and on the other, financial capital and neo-liberal policies the world over; where and how such land grabs take place, and what the role of land may be in crisis-ridden Greece.

Consequences for everyday life—1.5 million unemployed (the majority women), the collapse of public health and education, constant lay-offs and wage and pension decreases to mention but a few—are all 'justified' by the ruling classes as a price that is necessary to pay in order for Greece to exit the crisis. This irrational domestic devaluation, leading to the reproduction of recession, keeps the matter of public land dispossession and real estate afloat in public news and debates, as some supposed solution for the paying off of public debt—which nevertheless continues to increase. Apart from the three aforementioned ones, hundreds of examples from across the country tell the same story. While the areas grabbed may be

smaller than corresponding ones in the global South, practices resonate with international ones, adjusted to Greece's local characteristics.

We therefore stand witness to an unprecedented attack taking place at many different levels; what is at stake here is land and, at another level, the building stock—primarily public buildings, commercial real estate and residencies. What had been won through generations—materially, institutionally but symbolically also—is now lost over a small amount of time through the dispossession of land, of public property and of small ownership.

The dispossession of land and the common resources associated with it was the driving force behind colonialism, and it is nowadays reproduced in a number of different ways. Marx analysed land dispossession through the enclosure of the commons by landowners during the 18th century and through primitive accumulation, while the notion was also developed—on different levels—by Rosa Luxemburg (ref) and the anarchist geographer Peter Kropotkin (ref). Earlier on, Thorstein Veblen (1857–1929) had referred to land dispossession and to unearned income deriving from it. More recently, the concept has been referred to in different disciplines and contexts by authors such as the economist Michael Hudson (2010); geographers such as David Harvey⁴ and Neil Smith; agro-economists and sociologists such as White et al. (2012); human rights research institutes such as FIAN (2010); and 'autonomous' Marxists who propose a contemporary application of the theory of the commons and enclosures, such as Hardt and Negri (2009) and de Angelis (2010), among many others.

Land dispossession in Greece, however, did not commence with the crisis—and it will not end with the exit from the Memoranda. It comprises a timeless characteristic of Greek society, with the thousands of grabs of public land by individuals, businesses, the church, monasteries and municipalities through all sorts of illegal constructions, the invocation of non-existing

ownership titles and the timelessly severely lacking interest in the safeguarding of public interest in public property. Under these conditions and since the formation of the Modern Greek state in the 19th century, there have been ongoing processes of *land micro-dispossessions* by individuals either for cultivation or for housing via squatting in urban peripheries. Dominant classes accepted and used this dual popular access to land property for clientelistic reasons. Although there was sporadic macro-dispossession by the bourgeoisie as well, micro-dispossessions were the dominant form for personal use, not for profit, so they have been characterised mainly by *use-values*. In this respect, although it was and remains an illegal practice, it has successfully diffused land-rent earnings among the majority of the population. The social and geographical diffusion of land rents together with the state's tolerance constituted a particular functional regime of social reproduction for a very long period.

This regime entered a major crisis during late 1980s and the 1990s when land dispossession shifted to acquire mainly *exchange-value* characteristics with growing financialisation, large-scale real estate investments and the preparation of the Athens Olympics. The new regime is based, on the one hand, on extremely high land prices and, on the other, on speculative *land macro-dispossessions*, in terms of size and value. Pre-existing land uses and planning regulations changed scandalously to accommodate privatisations, construction of large infrastructures, commercial malls and housing. Land rent stopped being socially and geographically diffused and has been mainly appropriated by the new elites, large developers, banks and monasteries in cases of tourist developments. It was during the 1980s and the 1990s that social and environmental movements and resistance against macro-dispossession took place, often with violent reactions. These are ongoing.

The current authoritarian regulatory framework in Greece imposed by the Troika

in terms of land dispossession is both a continuation and rapture with the pre-Olympic Games regime. A continuation because it tries to legitimise undemocratic and unconstitutional decisions with similar arguments: before it was conditions of exception due to 'the Olympic ideal', now it is due to 'national survival'. Rapture because, first, land dispossession is orchestrated by global speculative financial capital; second, the economic crisis, the implementation of the Troika's rules and the status of a quasi-protectorate state have de-valourised land; and third, the institutional regulatory framework is more aggressive and follows English Law. The present government aggravates this further by offering to privatise and sell huge amounts of land in a very short period of time to meet an impossible target: to compensate public debt. Thus, Greece is entering the group of targeted *countries for land dispossession not due to its large land estates but for its particular qualitative characteristics*, homologous to similar processes at the world scale, among which six seem to be more important:

- (1) The geo-strategic location of the entire country close to Central Europe, Russia and at the crossroads in the Eastern Mediterranean, a physical–historical factor which may provide today quasi-monopoly rents for certain land-based activities such as pipe lines, container logistics, airports and railways.
- (2) Because large property is owned mainly by the state/the church/the monasteries, privatisations and bilateral agreements with global investors take advantage of the authoritarian political framework for quick decisions and clearance sales. For this a special agency is formed, HRADF, which tries to sell public land via privatisations equal to 1500 ha—almost the size of Milos island—and buildings of 1,200,000 m²—equals about 48 housing blocks in Exarchia, Athens' centre. To this we have to add dozens of new planning laws changing violently

any limited pre-existing land use planning control.

- (3) Rich minerals and anticipated oil and natural gas reserves turned extractivism and land-related operations to another prime target for land dispossession by Canadian, American, British and Italian firms. Only in Chalkidiki have 31,000 ha been disposed of, as discussed previously.
- (4) Privatisation of large public utilities companies and infrastructures that possessed large land plots. A case in point is the Greek Railway network and its affiliate company GAIA OSE, which holds more than 2000 ha, well located along major urban junctions in cities all around Greece. French, German and Russian companies have shown great interest.
- (5) The extensive coastline, many islands, climate, high natural value index, historical monuments, protected landscapes and an established tourist brand name, made land near the sea a prime target for dispossession for luxury tourist development with golf courses. Recent changes in the planning law concerning the coastline and the introduction of 'fast-track' procedures will permit massive urbanisation along the coastline imitating the Andalusian catastrophic example of 'Costa del Golf'.
- (6) Finally, the much advocated and subsidised 'green energy plan', with wind turbines and solar panels, is also responsible for public and private land dispossession. Windmill investments by large domestic and foreign companies occupy approximately 21,000 ha of public land along mountaintops paying very little compensation to local communities. Solar panels are mainly located on private land, removing more than 55,000 ha of productive land from agricultural production.

However, the current massive attack on public land by financial capital must not

dilute our focus from the extent of everyday grabbing that takes place at multiple scales of public land and public space, by domestic actors: from the large areas used for extraction and illegal quarries, tourist real estate with golf courses and the infringement of seashores, all the way to the illegal woodland clearing for cultivation, the thousands of illegal constructions for profit, the occupation of squares and pedestrian streets by restaurant and café tables and chairs, or the extension of our garden wall at the neighbour's expense. These practices enjoy an extended presence all over Greece and affect political mentalities and the everyday behaviours of citizens and authorities alike, at all levels.

The short book to which this text will act as an introduction was written heatedly in the fall of 2013 and the spring of 2014, in parallel with the developments of that time. In it, I try to trace the continuities and ruptures in land grabbing processes, particularly focusing on the international and domestic developments after 1980. I am aware of the difficulties of the project and I warn demanding readers that they shall not hereby find any thorough historical analysis and documentation of land grabbing neither internationally nor in Greece. The book's aim is different: it is to reignite interest on matters of land and land rent; to connect them with the new terms and conditions set by global sovereignty of financial capital and to relate them to the present international conjuncture of the financial and social crisis. More than anything, it aims to reveal the key role of land—materially as well as symbolically—at multiple scales: from restaurant tables (occupying pavements) to coastal tourism, all the way to the mines of Chalkidiki.

To conclude, I will briefly mention a hidden aspect of the Greek crisis, known in other countries as well: the correlation between increasing unemployment and deepening recession with the rise of non-performing housing loans and delayed mortgage payments. From 2007 until March 2014, non-performing housing loans

increased dramatically in Greece to reach 31.1%, well above Spain. A particular aspect of the Greek case is the existence of a law protecting the main house/apartment from evictions until the end of 2014 and this became a hot issue in negotiations with the Troika and predatory pension funds. There is large social opposition to changing this law but the Troika and other creditors are pushing for it and, if that happens, several negative effects will spread thereafter:

- (a) a mass supply of houses to an already stagnated real estate market will push existing low property values further down and this will affect mostly large public properties, and
- (b) house evictions and sell-off of public land will mark the final stage of the current land dispossession regime: lower classes and the Greek society as a whole will lose not only the exchange-value of their land and housing but also its use-value, that is, the houses themselves and the most precious parts of public land.

If that happens, major social and political reaction is expected with unpredictable outcomes and it may initiate a new round of crisis or a popular revolt. Paraphrasing Slavoj Žižek, in the past, the Greek Left (believed it) knew what to do with the land: wait for a popular revolt, take power and then nationalise it; today the Greek Left does not pretend to know what to do with it, however, it cannot wait for a better combination of class forces in a popular revolt situation to act. The need to stop land grabbing NOW is an urgent task.

Notes

- 1 Excerpt from the volume by Costis Hadjimichalis (2014) *Crisis and Land Dispossession*, to be published in Greek in the fall of 2014. The author thanks Andonis Vardis for his kind translation.

- 2 See the pre-crisis book by Lois Lamprianidis (2011), dealing with this issue.
- 3 See the very interesting study: *Land Concentration, Land Grabbing and People's Struggles in Europe*, Hands Off the Land, European Coordination via Campesina, April 2013.
- 4 In the international bibliography, the term used is 'land grabbing'—while Harvey (2010, 2012) uses the term 'land dispossession'.

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