

*Andritsos Thanos*

*Postgraduate Program: Urban and Regional Planning, School of Architecture*

*National Technical University of Athens*

**Society vs. the market in the arena of the corporate city.**

**Contemporary challenges for the urban space in Greece after the arrival of  
the IMF**

**Abstract:**

The 1970's constituted a shift in the economic, political and cultural landscape in world scale. Obvious changes that are studied consistently are the transgression of Fordism, the deregulation of the Keynesian policies of the welfare state and the hegemony of neoliberalism as the dominant economic and political doctrine. In this new period, enormous transformations take place at the level of the city and urban policies, significant enough to mark the transition from the 'modern city' to the 'corporate city'.

It is argued that each stage of the capitalist system, each turnover in its history and each period of growth and crisis, leaves its signs on the urban reality, shaping each time the city it needs. In the contemporary urban space, the market becomes the main regulator and the state is mainly left with the role of shaping the broader institutional and legislative framework to favor competition and entrepreneurship. Every inch of land is commercialized; cities and municipalities are turned into companies in constant competition of attracting funds. On one side of this coin is the city of superficial pleasure and entertainment and on the other the city of fear, unemployment, repression and social exclusion.

In the present study we will attempt to trace these items by placing them in the Greece of the crisis and the memorandum. What elements of the international trends appeared up to a while ago and how does the situation change after the arrival of the IMF and the implementation of strict austerity measures? How are the land policies shaped by the new law for the local government, Kallikrates, the Fast Track bill for the investments, and, overall by the government policy? Finally, we will investigate how the contemporary challenges are presented in the conflict between the society and the market;

## **Capitalist Crisis and Space.**

This paper is an attempt to approach the urban transformations currently taking place in Greece. We refer to an attempt not only because the size of a paper would not allow a full description of the changes happening in the space and the cities of the whole country but also because these changes are happening right now. The picture cannot be complete since the developments affecting the Greek society are going to be rapid and continuous for several years ahead. We are actually trying to describe the tendencies dominating the preferences of the opposing social powers; tendencies that only history will prove viable or not. Thus, the question which we will try to respond to can be formed as following: how are the government's policies to overcome the crisis imprinted on space?

In order to respond to this question, we should first take a brief look at the connections between space and capitalist crisis. Since the late 18th century, the capitalist system has been going through successive phases; periods of growth and development as well as of recession and crisis. Its history is tied to crises, some of small and other of bigger extent. "From this point of view, capitalism does not appear as a system that finds itself normally in a condition of balance, which is temporarily disturbed by short crises; on the contrary it seems like a system physically-organically unstable, "chaotic", where the conditions of relatively stable development ...are the exception." (Papakonstantinou, 2008).

I stand for the marxist methodology that considers the tendencies of the average profit decline as the core reason for the crisis. These tendencies "are an expression suited to the capitalist way of production, the ongoing growth of the social productive power of labour" (Marx, 1989). The latter is explained as "due to the progressive relative reduction of variable capital compared to fixed capital, the capitalist production creates an increasing organic composition of the overall capital, a direct consequence of which is that the percentage of the surplus value is expressed through a stably declining general percentage of profits with an invariable or even an increasing degree of labour exploitation" (Marx, 1978). The whole history of capitalism is an attempt by every entrepreneur and by the capital in general to overcome and reverse this trend through technological revolutions that bring about automation of production, increase of labor productivity, decline of the value of

workforce, market expansion etc. The increase of production may occur at times without any decline in the percentage of profits but the general trend cannot be cancelled. On the contrary, after those waves, it reappears more relentless than before.

As we study the history of the cities during the last centuries, we realize that it has been greatly defined by the course of the capitalist system and its concurrent phases of growth and recession. From Haussmann's Paris to Robert Moses' New York and from the post-war modernist domination to today's post-modern situation, the needs of the economy and the production hold the leading part in urban transformations and every phase or grade of the capitalist system has had a specific imprint on them. It is obvious that the mechanisms of production of the urban environment are complex and that they do not by any means lead directly to space forms or policies. They combine ideological and cultural dominants; they are defined by political correlations and social debates. Nevertheless, a basic dimension of the capitalist system is that it strives to overcome its crisis and to find new routes to profitability.

Back in the 1970's Henry Lefebvre attempted to answer to the question of how capitalism had survived in industrial countries as following: "In my opinion, social relations in capitalism, i.e. the relations of exploitation and domination, are preserved from within and throughout space and from within and throughout organic space" (Lefebvre, 1977). David Harvey claims that "urbanization has played a particularly active role, alongside such phenomena as military expenditures, in absorbing the surplus product that capitalists perpetually produce in their search for profits" (Harvey, 2008). His rationale is that accumulation, which is "is the means whereby the capitalist class reproduces both itself and its domination over labor" (Harvey, 1985), through the primary circuit of capital presents inherent dead ends and it consequently leads to excessive accumulation: overproduction, decline of profits, capital surplus, labor surplus and increased level of workforce exploitation. At this point, there is an increase in capital flows towards the secondary circuit of capital, i.e. towards fixed capital.

A process of this kind has been taking place for the last decades. The profitability's "panting" in production, which was reflected on the 1970's crisis, led to the quest for new ways that would allow invested capital to return with the necessary profits. The most evident outcome of the above was the excessive growth of the financial sector. "In the course of reproduction of the overall social capital, the accumulation of stagnant money is systemically created...The creation of stagnant money in the

course of capitalist reproduction offers an objective base for commercial and bank credit and works as a foundation for the capitalist credit system. The credit system motivates stagnant money that is created in the course of capitalist reproduction, it turns it interest-bearing capital and it redirects it towards accumulation” (Ito & Lapavistas, 2004). The switch to “plastic money” and the relative supremacy of financial capital over productive capital is not only related but also enhances the increasing capital flows towards land. The latter is now considered a financial product integrated in the process of accumulating capital. Apart from the traditional class of land owners and construction companies, new players have joined the “land- game”, such as financial tycoons, hedge funds etc. Capital having to do with construction and real estate has been continuously gaining importance while the commodity that it offers has been dematerialized and deterritorialized (Webber, 2002). This process is one of the reasons responsible for the radical changes observed in urban centres.

It is certainly not a coincidence that the crisis afflicting the world for the past years has been triggered by the real estate bubble. The whole system of producing, buying and selling houses was based on poor households’ excessive borrowing and on complicated financial gambling. Thus, it was structurally unstable the moment of collapse would unavoidably come sooner or later. Nevertheless, the significance of the house market to the global economic system has provoked a global financial crisis that has been transformed into a crisis of the capitalism as a system (Andritsos, 2011).

Today’s crisis is not a mere sequel of the 1970’s crisis. It is more of a crisis of the system created to respond to that: the financial sector’s excessive growth; the new-liberal governance that rendered free market dominant and crashed both the work force and the incomes; capitalist globalization. However, the answer that has already been given does not indicate a shift in this policy but, as opposed to that, it consists of a reactive section on the continuity of new liberal policies. Since the first phases of the crisis expansion, the message has been clear in the choices of the USA, i.e. the rescue of the financial sector by the federal funds and the famous “Paulson Plan”. Throughout the planets, trillions of dollars have been transferred from the states’ reserves to the banks’ black hole, while the crisis had started being evident in the so called real economy as well. You did not have to be a prophet in order to foresee that the next episode would be the debt crisis, as it is strongly apparent in the European subsystem, since the problems in public finances have become tragically serious. A new response will be given through the “rescue” and fiscal adaptation programs, the

results of which we have been living for the last year here in Greece. The European South, however, is not the only field for the implementation of such policies. Similar measures of income reduction and cutting down social benefits have been adopted in the whole world, motivating the working people's struggle.

Our conclusion is that there is no overall "paradigm shift" observed in the dominating policies but an enhancement of the new-liberal doctrines, which are, nevertheless, incorporated in the conditions of crisis and the latest geostrategic correlations. However, what have these doctrines actually signified for the capitalist metropolis of the world for the last decades?

### **The corporate city and the new forms of urban governance**

The 1970's were a shift in the economic, political and cultural landscape in a world scale. Manifest changes are studied consistently are the transgression of Fordism, the deregulation of the Keynesian welfare state policies, the hegemony of neoliberalism as the dominant economic and political doctrine and the ever greater internationalization of capital. The state is now considered the source of evil, because it is limiting the business and individual freedom. As one of the think tanks of the U.S. economy said "should limit the State to such an extent that it will allow us to drown it in a bathtub" (Karamanof, 2010). This policy, although started by the conservative parties and was led by Thatcher and Reagan, has been accepted by European social democrats.

In this context, the policy for the city and space were transformed. Cities were assigned a new role as "engines of wealth generation" (Hall, 1994) in a global landscape (Sassen, 2001). The urban centers are in a constant competition to strengthen their position in the international division, to attract capital and central functions (Harvey, 2003). This is a transition from "modern" city to the corporate city and from the integrated urban planning of the Welfare State to the logic of Urban Planning of the New Economy (Leontidou, 2004). The most important element is that the space and the city now play a leading role in the accumulation of capital on a global scale. "The space is no longer simply a receptor of the economic and cultural activities, but through planning it is used deliberately as a catalyst and means of developing new production and cultural activities" (Gospodini, 2008).

The forms and "tools of production and management of space were gradually transformed to respond to the new conditions as the previous policy was assessed that "they cannot effectively tackle the complexity of the problems that metropolitan areas are facing" and so there is the need for "a type of organization of power derived from a dynamic of set of institutions and actors beyond the state limits" (Getimis, 2004)

David Harvey, since 1989, argues that there is a shift "from managerialism to entrepreneurialism" (Harvey, 1989), describing the transformation of urban policies from Keynesianism to neoliberalism. In the new era, "... the city does not help businesses any more (ie capital accumulation) only through planning policies and practices, manufacture of infrastructure, incentives, etc., but it is transformed into a business... where relations township-enterprises and township-Citizens will now be defined by the market, meaning that both the businesses and residents become customers" (Hadjimichalis, 2001). Doubts are raised as well for the role of Local Government in this landscape. "The conversion of municipalities into another gear of the System does not only concern the further taxation of the citizens through municipal taxation for fundraising for its needs, this is the smallest impact. The greater is the use of local administration as a mediator between the state and private capital" (Sarigiannis, 2009). The concept of governance is added, as a transition from government, which attempts to describe the new forms of exercising political power, which in the level of space are often referred to as "New Urban Policy" (Swyngendouw et al, 2002). The new practices of governance- beyond- the- state (Swyngendouw, 2005) and the logic of "emptying the state" (Spourdalakis et al, 2010) are marked by a continuous process of transferring powers that were state functions "up" (eg EU, supranational integration), "down" (ie Local Government) and "outside (market, "society of the citizens"). In this context, multi shaped figures involved in the practice of policy are formed and the discussion on "participative democracy", "pluralism" and the role of "civil society" are expanded.

The most important question that is raised is whether and how through the new Urban Governance is possible to define and ultimately change the policy and planning. The big problem is not just whether some social groups can take part in certain decisions, but if they can change the direction and principles of these decisions, which are determined by the competition of cities and the reality of neoliberalism and public interests. "The important point of these transitions [...] was

that the state was no longer responsible to define what was just and rationale, as it was supported that the market could do that instead [...] The universal claims for rationale and justice have in no means been diminished. They have just been transformed in order to justify the privatizations and the actions of the markets” (Harvey, 2003).

The corporate city, in a neoliberal state policy, is also a part of business competition with other cities, like competitiveness of enterprises functions. The ongoing struggle to attract investments, which is the fate of urban post-industrialization cities, international happenings and tourists, will be a multifaceted process, both for life in the city and its image. For a place to become a more attractive for capitalist investments wages are reduced and daily democratic functions are limited. At the same time cuts are being made in public welfare programs and social housing, in a policy of privatization and corporatization of all functions of the welfare state, such as education, health and social security. Speculation in land takes many forms: big projects, corporate management of natural assets and business operations, buying and selling buildings. The word that best describes the philosophy of interventions in cities is FIRE (Finance, Insurance, Real Estate, Enterprise).

In this logic started from the early 1980's until today, a massive process of intervention in the urban web and the image of cities, which took several different forms and names, such as urban redevelopment, revitalization or gentrification. The latter term describes the more violent side of interventions that usually take place in deprived areas in the center of cities which become higher class residential areas and cultural and recreational sites and are accompanied by the violent displacement of older residents on the grounds of augmenting the quality of life and the fight against crime. It is clear that such actions don't have only economic aims but political as well.

One of the most important elements is that in these interventions the state and local government do not maintain the dominant role nor resign completely from the strategic planning. Usually a complex web of power is created in which market forces have a key position while a prominent role is maintained by famous architects. Guy Burgel makes a characteristic description of what accompanied the nomination of Lille for the Olympic Games in 2004. “Then erected an entire urban marketing campaign: Call of celebrities from Paris to the northern metropolis on the occasion of the inauguration of the TGV, an exhibition in New York at the Museum of Fine Arts, with the revealing title of Business to Business. [...] The promotional campaign is accompanied by some fancy architectural projects that are signed by big international

names [...] It seems clear the importance of the core people who created the project and ensure the promotion of it: the mayor, Pierre Mauroy, former prime minister, at the forefront of the socialist party, the business world, Jean Peyrelevade, chairman of the insurance companies of Paris, Jean Deflassieux, chairman of Credit Lyonnais, the gifted technician, the planner Jean-Paul Baietto, all connected by a relationship of friendship, a guarantee of effectiveness. The city became a business, and planning looks like a marketing strategy.” (Burgel : 2007)

A research in the frame of a program of the European Union “URSPIC: Urban Restructuring and Social Polarization in the City” describes accurately the logic described (Source: Swyngedouw et al : 2002). It studied thirteen Urban Development Projects in thirteen metropolitan cities of the EU. According to the study the role of the state and in general of public agencies was crucial. The model was usually to set up an independent agency semi-private with state participation. The second important factor is the level of citizen participation around the decisions made. As Eric Swyngedouw argues in most of the interventions (especially the cases of Berlin, Athens, Brussels, Lisbon and Bilbao) «the structures of representation of the participating partners are diffuse and unregulated. There are rarely formalized mechanisms of representation, and it is often difficult, if not impossible, to identify who represents what, who, and how. [...] participation is rarely statutory, but operates through co-optation and invitation, usually by the key power brokers within the institutions. This process has become the dominant mode of institutional organization and suggests a shift from a system of representative urban government to one of stakeholder urban governance that is centered on newly established institutional arrangements. (Swyngedouw et al, 2002). Finally, and most importantly, the effects of interventions are rarely described as successful for the local community, or the benefits were much lower than their supporters stated. Clearly this not the case for the interests of the ruling classes, or for the construction capital.

But what is happening in the last few years after the appearance of crisis? One certainty is that so far there has not been a shift in the urban planning practices that is akin to the standards of welfare, even though related changes in the interference of the state might be foreseen for the future. The new fact is that the economic crisis has led to the cancellation or delay of major projects that were being constructed or had been planned for the future (Hatherley, 2010). However, we cannot give a comprehensive



response to the issue as we will focus on the case of Greece. Before we study the current changes it is important to see how these international trends are reflected in Greek space in the last few years.

### **The Greek experience.**

International trends in political governance, economic policy and the space transformations are never fully or simultaneously transferred in Greece. This does not mean that similar policies are not being implemented for several years. Of course it is not a "spontaneous" process or the implementation of "relative" programs.

In this direction, semi-private or private figures are created claiming a share in the planning and space management. Typical example is the institutionalization of the SDIT (public private partnerships) for construction projects, the promotion of which is actively encouraged by the EU, within the framework of investments it provides. In the same spirit is the promotion of mergers, by virtue of Law 2940/2001, in order to create major construction groups. By 2002, large construction companies are reduced from 675 to 310, either by acquisition or merger. All these developments confirm the policy of major projects and highlight the accumulation of capital as a tipping point for the economy. With the new data, the major business figures are proved more able both in capital and management to handle large projects, more rapidly than the state budget can. Crucial point in the mobilization of private capital to the detriment of the public sector was the hosting of the Olympic Games. A large number of projects that were directly or indirectly related with those were funded by programs of the EU. Apart from the significant involvement of the private sector the Olympic venues supported by the allocation of public wealth (resources and land). The experience of the case of Olympic Properties S.A. (Portaliou, ~~Ελ. : Αστικός ανασχεδιασμός στην Αθήνα και την ευρύτερη περιφέρεια της Αττικής, άρθρο, περιοδικό monumenta, 30.04.2007~~) has left a significant legacy in part of investment and the private exploitation of public property. It is the systematic mobilization of the wide public sector in the profitable area of real estate. The list of public agencies that are converted from public entities into companies is constantly expanding, with the establishment of Greek Tourist Properties (ETA) SA, OTE estate, GAIOSE, the Agency for Development and Relocation of Camps (Y A.M.S.), etc. Of particular

interest is the effort of further enlargement of the business activity of the State Mortgage Company (KED) to attract foreign investment by successive laws introduced for the first time in 1990 (Mantouvalou & Mpala, 2004)

In essence, the logic that it is realized is that the state wants to be a large enterprise, which for profit can utilize the property. Governments become guarantors of the state power to managers for the hegemony of the free market and private capital. This, in addition to the major social consequences it causes, raises questions of legitimacy. In the recent book by Maria Karamanof, member of the State Council is stated that “Neither the financial needs for liquidity or the use of profits and rents for ‘good causes’ may exempt the state from its constitutional obligation to use public property in accordance with their destination. (...) endeavor, potentially, the mass exodus of all public policies from the public sector in order not only to emulate the private action, but to relieve it even from those commitments of the private law and the control not only of the administrative courts but the civil as well” (Karamanof, 2010).

Apart from a review of whether the Olympic projects were translated into improvement, it remains indisputable that the Olympics opened a new era: from the small scale interventions, the fragmented capital inherent in the number of enterprises and the wide range of factors involved in the development of the space (Mantouvalou, 1995) we are moving into an era dominated by large projects, accumulation of capital in line with major business figures, and the intensity of the exclusion of broader social subjects from accessing in the planning and organization of space. In the case of promoting of the sale of large public areas and while many times the scope of new investment is likely to shape the characteristics of a region, the issue of space management remains crucial. The Olympiad was not associated only with the Olympic Properties, but also with a total process of urban change that was declared to transform the capital into a modern capitalist metropolis and as such it had to bear all the elements seen in the developed West. With a variety of irregularities and special arrangements to circumvent the planning laws, Malls appeared and proliferated very rapidly and many new buildings as well, cinemas, offices, conference centers, etc. In this direction major road projects were completed while in transport were added the metro, tram and suburban railroad. In this constructing fever and the changes in the population of Athens, an explosion occurred in the housing market and the increasing urban sprawl that included areas that until recently were considered as holiday

destinations. Simultaneously, the model of urban regeneration and gentrification trends found fertile ground in areas of the city center. These practices are not unknown in Greece, as illustrated by the case of Plaka. During the decade of 2000 central areas like Psirri and Gazi were transformed into areas of entertainment, culture and housing for the upper classes and artists, displacing populations and productive or commercial activities.

We believe, therefore, that the prevailing policies for the space and the city were implemented in Greece during the past years. To a certain extent since the mid-2000s' before the crisis, signs of fatigue in the development of construction capital had appeared, mainly because of excessive construction and high prices of land bequeathed to the "fever" of the Olympic Games. In this context the question arises: What changed in the period of the Memorandum? The assessment that we will attempt to prove below is that for the first time we can see a coordinated, integrated and comprehensive government policy, which has many different sides, for the corporate address of the city that combines and integrates all the international trends. Additionally, this is an important process of "throwing" out of the game of small and medium construction capital and poorer classes, in favor of the absolute domination of domestic and international corporate centers. Something like this in a country with a strong tradition of home ownership, valuable consideration and medium-sized construction companies will have huge social consequences.

### **Part C: The space in the crisis in Greece**

The confrontation of society with the market over the city and space is not taking place 'spontaneously' or 'without intervention', as well as in all aspects of social life. The state government power maintains the first place in the formation of spatial policies. Or more accurately a complex coalition of powers which have key role in international centers such as the IMF and the EU together with the Greek government seem to have developed a comprehensive policy to address the space that leads to specific laws and practices. Further along you will see the three main axis on which the urban transformations take place that react with each other but move independently as well. It is argued that this policy as a whole is the qualitative and quantitative improvement and integration of all elements of contemporary urban

governance of the corporate cities, distorted however by the broader period crisis and the memorandum. Thus the particular element is not only that the neoliberal policies are implemented in an even more aggressive way, but that it is disenchanted from the mantle of 'development' and 'progress' and work just as emergency solutions that tend to become permanent.

### **C1: Kallikrates and the new forms of urban governance**

The Kallikrates program titled "Principles of Legislative Initiative for the New Architecture of Government Administration and Decentralization" was passed in May 2010. The bill is considered according to the government itself and the Prime Minister a "democratic revolution" that will "fundamentally change the state – citizen relationship" (ELEFTHEROTYPIA 5/25/2010), and actually that statement from a certain perspective is correct. Perhaps for the first time since the establishment of the Greek state has changed so much in order to serve specific strategies and interests of the private initiative. It should be noted that the Central Government has an important place in the new metropolitan structures it is not removed in favor of the local, but it takes character of management ensuring the implementation of new structures. This is not happening for the first time in the history of administrative reforms in Greece, but is a continuum in which the state and structure is transformed to impose new economic and political realities.

The "Kallikrates Project" "was one of the first reforms in the post-IMF era in Greece. In Greece of the crisis and the Memorandum, the role of local government could not remain unaffected. The Law of Kallikrates is governed by two basic components: First it is a sequence of the new urban governance, converging over the logic of international trends. Second, is the backbone of the Memorandum and strategic tool to address the crisis on the part of the capital. Through it the fiscal crisis is transferred to the local government.

Through Kallikrates, "the overall redesign of the levels of governance is attempted" (Explanatory Report, p. 5) with six main axis. Two refer to the decentralization of government functions and the excess of the "traditional centralism". One is "changing growth model of the country, directing the state

structures and functions towards the needs of green development". The other three are related to "the strengthening of democracy", "the enlargement of citizenship", "new methods of e-governance" and "the principles of transparency, open governance, accountability and evaluation".

The bill is accompanied by a package of cuts up to 500 million per year for the three years 2011-2013 for the new municipalities ([www.kedke.gr](http://www.kedke.gr)). New hierarchies still arise from the abandonment of the model of balanced development. The financial autonomy of the new municipalities and the parallel program of cuts, removes a fundamental link between the State and Local Government. The state now has withdrawn its financial responsibility by pushing the competition between the new administrative structures and putting the already in debt local authorities in a more difficult position. This leads to search for different resources, through sale of public assets and creation of partnerships with the private capital or by reducing benefits, increasing taxes, etc.

The issue of state control is solved by the law by setting up the office of the General Administration with secretary appointed by the central government, and the "Regional Administration Council" agency that "will have overall responsibility for planning issues in the geographical unit of its reference" (Explanatory Report: 2010). The direction to a "beyond the state" logic is given with Kallikrates. According to the Explanatory Report: "This bill clarifies and implements the basic constitutional requirements for the establishment of local government operating on two levels, with units that have the appropriate size and become capable of managing local affairs, but to take local processing powers as well that are the mission of State." (Explanatory Report: 2010).

This is an overall general logic of transferring powers from the state upward (EU - international organizations), downward (regions municipalities) and externally (the market, civil society). It is attempted to de-politicize major state functions that are dominant political challenges. This enables the shifting of responsibility to a network of agencies, organizations, etc. and finally the shielding of the nucleus of power. In addition to the new responsibilities the local government is added to a wider development plan and vision which the law sets out and it concerns the establishment of local administrative authorities to 'key institutions to promote local and regional

development. The local authorities and the decentralized government can play a key role in encouraging entrepreneurship and the acceleration of public and private investment in the Greek region". And it continues: "it becomes the institutional key to change the development model of the country, directing the state structures and functions to the needs of green development "(Explanatory Report: 2010).

The new institutions of representation are particular here, they are identical and converge with those of neoliberal governance in Western Europe, and are also innovative for the Greek standards. It is argued that a shift is taking place against the traditional institutions of democratic representation in the municipalities. The first thing that the law does is that with the limitation of the Municipal Complexes and centralization it creates it immediately reduces the representatives in half compared with the past. The process of election of the Municipal - Regional Council has rewards disproportionate the first combination, giving excessive powers to the Executive Committees, which include the Mayors, Deputy Mayors, and Prefects and Deputy Prefects and even more in the Decentralized Administrations that are consisted of non-elected bodies. The most interesting thing, however, is the foundation for the first time of the Consultation Committee, which according to the explanatory report guarantees the consistent and institutional participation of citizens in governance having merely consultative and advisory role.

The formation of superpowers in the leadership of Municipalities and Regions, and the blurred role of participation and conditions of the public consultation is an important element of the law, putting the issue of whom they ultimately serve these administrative forms.

## **C2. Fast track**

The second and perhaps most important axis of spatial transformations is the Law 3894/2010 called "speeding up and transparency of the implementation of Strategic Investments", known as «Fast-track». This is a law that dramatically transforms the mechanisms of production and management of space while capsizing all the legal and urban planning status that existed until today. The logic behind the law is clear and directly linked to the government policy. The public sector in Greece is hypertrophic

and problematic and requires a large privatization program in order to find the money to repay the debt. This includes cuts in social services, privatization of large public enterprises and privatization of large parts of the Greek land.

According to the government's rhetoric, the development of Greece will come through the support of major investments. However, the complex legal and bureaucratic complex in Greece is deterrent. Therefore, we need a "special, flexible, transparent, impartial and effective framework of rules, procedures and administrative structures for implementation of large public and private projects", as claimed by the minister in charge, Ch. Pamboukis<sup>1</sup>. This comes to serve the fast-track which in practice negates any social, legal and urban planning criterion in order to expedite and implement all forms of investment projects, from public or private sector.

The law foresees that for making Strategic Investments in areas within cities approved plans "specific and special deviations to the applicable terms and restrictions of building in the area are allowed, and to the provisions of the General Building Rules as well (Law 1577/1985, Government Gazette 210 A)". These deviations may concern: "a) the distances of buildings from the boundaries of the lot and the distances between buildings and other facilities as well, b) the building coefficient, c) the volume coefficient, d) the coverage and e) the height, excluding the height of lighting pillars, which will be determined by the corresponding study phototechnical coverage". This is in fact the undoing of any restrictions while with the "Special Plans of Development of Areas of Installation of Strategic Investment Facilities"(Article 24) the substantial elimination of urban and regional planning is completed. With these ample opportunity is given to buildings and "ancillary" areas of strategic investment changing the terms of building by occasion, placing of land uses and even the intervention of the foreshore and not just in the area of investment but also for broader "special areas of protection and control "around them. In order to have no room for misinterpretation in Article 24 it is made clear that these regulations "shall supersede any contrary or otherwise regulating the General Urban Design, Urban Control Zones, city plans or urban planning studies and land use plans related to areas for which Special Projects are developed and approved."

---

<sup>1</sup> <http://www.opengov.gr/yypep/?p=28>

In order for an investment to be included in the law of fast-track it must meet one of the following criteria: a) its cost shall exceed 200 million, b) its cost shall exceed 75 million while creating over 250 jobs, c) it shall have an annual cost of 3 million euros that will be invested in latest technology projects and innovation while creating 250 jobs, d) None of the above as long as it's considered necessary for the "public interest".

But who will decide which is the public interest, if the potential investments meet the criteria in order for the unconditional surrender of public land to them? The "Interministerial Commission on Large Projects and Infrastructure", as defined in Article 2. The three-member committee is chaired by Minister of State Ch. Pampoukis, framed by the Minister of Economy and Finance, G. Papakonstantinou and Minister for Infrastructure, Transport and Networks D. Reppas. Its power supersedes the Greek parliament it's not obligated to address.

For the promotion of investment, the role of "broker" will be played by the company Invest in Greece, under which all government agencies and administrative authorities are placed that by law (article 22) are required to issue any permit or estimation within two months. Otherwise, if those two months have elapsed from the date of application to the Invest in Greece, then the permit is issued automatically and the managers are charged with disciplinary action.

The existing bureaucracy and dysfunction in several areas of the public sector is used by those who created it, namely the state and political parties that manage power for three decades as a reason for the unimpeded march of the private capital. Indeed, the legal system which so far provided the relative hegemony of the state and what was defined as a public interest over private initiative it is now accused of being a bureaucratic relic of the past. Essentially an attempt is being made in order to consolidate as "public interest" the interest of each investor group and any reaction to it as an obstacle to "national development ". "The "liberation" from the restrictions imposed by the urban and regional studies, and even simple restrictions on the construction and exploitation of space and their substitution by " photographic" rules, which are proposed and taken as an incentive by the "investor" is certainly the complete victory of the private over the public, the removal of the relevance of private space, the ultimate privatization" (Selianitis, 2011).



In this context, a huge debate has started the last few months on the proposed "fillets" of the Greek land that are being prepared to "accommodate" these large investments. The list includes vast areas along the Greek territory. From beaches and open spaces within the urban web (eg Baroutadika in Egaleo and the beach of Glyfada in Athens, the new beach of Thessaloniki), large coastal areas (eg beach of Zaharo), mountains (eg Voras in Pella) up to whole islands (eg Prasonisi in Rhodes). It wouldn't be an exaggeration to say that in reality nothing is unlikely to be lead to exploitation because the law does not exclude anything. Especially in front of the continuous deterioration of the economic situation of the country and soaring public debt it seems like the whole country is mortgaged to the lenders in the future. In this light, the banter of the government that Acropolis will not be sold doesn't make the citizens laugh.

The most typical case that is preparing to activate the fast-track is the former airport of Hellinikon. It is a coastal area of approximately 6000 acres that makes up a huge percentage of free, unstructured spaces in the capital. After the transfer of the airport at Spata, its the conversion to a park had been declared, but the project didn't go further. Now it's in the focus of the proposals and debates on its future exploitation. The central element of the predominant proposals is the undoing of the public character and green space in favor of recreation and tourism enterprises by foreign investors, while in the familiar game of urban marketing is starring, the well-known architect from Barcelona Jose Asebilló.

### **C3. The battle of the center**

The third axis of modern spatial policies is related with developments and the discussion for the future of downtown Athens. This is an eminently political and social confrontation on which is reflected the explosive mixture that makes up the current situation in the capital, within the growing conditions of poverty and misery that had followed the memorandum. It is inextricably linked with the issue of immigrants which the government and the media rank very high on their agenda, and crime.

The city center is the stage on which the main processes in the country take place. The changes and the variety of controversies in the city center will not be the subject of extensive study. We mention only a few elements that could simplistically synthesize the basic picture.

In recent years, after the deflation of the construction boom that accompanied the Olympic Games emerged forcefully the debate on the center of Athens. The predominant reason expressed mainly from larger and smaller media groups and official administrative lips focuses on the high crime rate usually associated with the existence of large immigrant populations and almost always leads to a specific phrase, "the ghetto of Athens". This image, regardless of whether or not it rests on facts, was aired with tremendous speed so it almost was the only story that took place in public debates. In this context, nearly every region of the center from the historic triangle and Vathis square to St. Panteleimon and Kipseli, received the designation of the ghetto.

The advent of the crisis which exacerbated enormously all the problems that already existed drove this discussion to an explosive new dimension. Poverty, unemployment, lack of homes and basic sanitation standards appear in superlative scale in the center as the majority living there are middle and lower classes of the Greek society, a large percentage of whom are deeply the exploited workers, the immigrants. In this situation helps and the lack of an immigration policy that provides the minimum living conditions and equal employment rights in conjunction with the European Treaties which are trapping in Greece the massive migration, in an illegal state. Within this framework organized crime is really booming, and the violent acts of the modern damned as well, and of course it is not affected by government policy of repression and fear of social problems. The most worrying fact is that it appears the xenophobic and racist speech to be moved from the edges to the center of the dominant speech and to the extreme right violence to be an adjunct of state policy and is now reaching the point unpunished lynching and mass murder of immigrants.

The key issue of concern of this paper is the importance that has this debate for the city center. The logic that characterizes the entire talk of this last period and the proposed solutions is the "cleaning" of the historic center. As in many international cases this is not related with the fight against organized crime and the improvement of

the living conditions of residents but with the forcible transfer of population and the entry of new middle and upper classes. A complex economic and political game is unfolded that behind the apparent contradictions lies the capital of the real estate business and the entire business world that seeks a new "landing" in the deprived areas of the center.

In this context a variety of projects, studies and proposals come to the fore while new residential buildings and offices are being build. In these a leading role is played by the official institutions of state and local governments, universities, architects and artists to the actual construction capital while a key role is played by the newly founded and disparate residents' committees.

According to the leading targets Athens must be developed as a modern corporate metropolis. And at the center of this there is no place for the outcasts of modern capitalism, but only room for market forces. As a logical result, the demonstrations that often acquire clashing features seem rather like a dissonance within this framework. For this reason, and especially after the riot of December 2008 in the process of "cleaning" the center, the struggles of workers and youth find themselves targeted, as they impede the operation of stores, create traffic problems and project a bad image for the tourists. Questions are being raised of course about how it's possible when the entire Greek society has sunk into a deep crisis and the economy into a recession that the shops of the center are affected mainly by the demonstrations of social anger. So several suggestions come to light such as limiting the demonstrations and transferring government functions outside the center. It is obvious that these proposals besides the economic starting point they have a dominant political side as well since the fear riot events haunts the domestic and international rulers.

The developments in downtown Athens will be rapid in the following period. It is actually a "battle" that has clear spatial and social dimensions. But it is not a battle between Greeks and foreigners, but between the social majority and the market. Because it remains a key challenge by whom and for whom the planning is being done. Another question that is raised for discussion and future research is which trends from those that are taking shape are more likely to be completed in the future.

Most examples of "gentrification" in Western cities were accompanied by increased business activity of a number of parties involved. They require a given

development growth ability not only of the large construction and financial capital but also of medium or small. This seems to be difficult in the current situation in Greece. Will the plans for the "development" of the center eventually dominate only by piecemeal interventions of the upper parts of the bourgeoisie in Greece and internationally with acts of forcible evacuation and suppression of social struggles? It will become obvious in the future.

### **Epilogue: Contemporary challenges for the space.**

"We have not seen the light yet but there is no other policy" The words of the Minister of Economy and Finance at the Finance Committee for the prospect of the Greek economy (Ta NEA, 25/2/2011), are an extreme update of the famous «There is no alternative» of Thatcher, which quite eloquently describes the prevailing policy in Greece. Strict budgetary discipline, the unprecedented attack on people's rights and the surrender to the private capital of the state functions, in addition to the enormous social impact, it is clear that it does not overcome the crisis of public finances, even with the conditions set by sovereign parts of national and international powers. However, no other policy is examined on the contrary, the current path is said to be a one way road. From this point of view, things do not seem to be positive for the space and its management.

The urban policies that were described above constitute a comprehensive plan of absolute hegemony of the most aggressive elements of the free market and neoliberalism on the city space. The city as a whole is a challenge. It will either be gained by the powers of capital or by the society. And this is certainly not a battle detached from the broader political and social upheavals.

It is certain that the debate for space and democracy takes on great importance nowadays. The dramatic conditions of the crisis make the mobilization of all urgent together with those who investigate the spatial policies and urban reality. For this is the moment that the danger expressed by L. Vasenhoven is intensified:

"... I really fear that one day that this pressure will sweep us all. So simply they will tell us: go to the side, you are irrelevant, you are off-topic" (Vasenhoven, 2011).

## **Bibliography:**

Andritsos, T. (2010) *Crisis in the City and City in the Crisis* [*Η κρίση στην Πόλη και η Πόλη στην Κρίση*], Proceedings of 9<sup>th</sup> Panhellenic Geographic Congress. Greek, Geographical Society of Greece, Athens, Harokopio University

Andritsos, T. (2011) *Crisis in the Housing Market and Contemporary Capitalism* [*Κρίση στην Αγορά Κατοικίας και Σύγχρονος Καπιταλισμός*], <http://wp.me/p1jtMN-dt>

Andritsos, T. & Poullos, D. (2011) "*Project Kallikrates*": *Administrative organization, Space and Democracy in the Age of Crisis* [*"Σχέδιο Καλλικράτης": Διοικητική οργάνωση, Χώρος και Δημοκρατία στην εποχή της Κρίσης*], Proceedings of 11<sup>th</sup> Panhellenic Congress of Architects, Athens, SADAS

Burgel, G. (2007) *Contemporary European City. From the Second World War to today.* [*Η σύγχρονη Ευρωπαϊκή πόλη: Από τον Β΄ Παγκόσμιο Πόλεμο έως σήμερα.* Αθήνα]. Athens. Plethron

Getimis, P. (2004). *The importance of new forms of governance to strengthen the international role of Athens and Attica under the new spatial competition in the enlarged Europe* [*Η σημασία των νέων μορφών διακυβέρνησης στην ενίσχυση του διεθνούς ρόλου της Αθήνας-Αττικής στο πλαίσιο του νέου χωρικού ανταγωνισμού της διευρυμένης Ευρώπης*], *City and Space from the 20th to the 21th century.* [*Πόλη και Χώρος από τον 20ο στον 21ο αιώνα*]. Athens. NTUA

Gospodini, A. (eds.) (2008). *Dialogues for the design of space and development* [*Διάλογοι για το σχεδιασμό του χώρου και την ανάπτυξη*], Athens, Kritiki

Hadjimichalis, C.(2001). *Geography, Development and Politics* [*Γεωγραφία, Ανάπτυξη και Πολιτική*], Athens, Politis

Hall, P. (1994). *Cities of tomorrow : an intellectual history of urban planning and design in the twentieth century.* Malden, MA. Blackwell Publishers

Harvey, David (1985). *The Urbanization of Capital*, Oxford, Johns Hopkins University Press

Harvey, D. (1989). *From Managerialism to Entrepreneurialism: The Transformation in Urban Governance in Late Capitalism*, *Geografiska Annaler* 71 (1)

Harvey, D. (2003). *Social Justice, Postmodernism and the City.* *Designing Cities: Critical Readings in Urban Design* (Cuthbert, Al. ed.), Blackwell Publishing

Harvey, D. (2008). *The Right to the City*, *New Left Review*, 53

Hatherley, O. (2010). *A Guide to the New Ruins of Great Britain*, The Guardian, 16, October 2010

Ito, M. & Labavitsas C. (2004). *Political Economy of Money and Financial System* [Πολιτική Οικονομία του Χρήματος και του Χρηματοπιστωτικού Συστήματος]. Athens, Politron

Kalama Vaso, *Fast Track: The economic crisis of today and the law "acceleration and transparent implementation of Strategic Investments"* [Fast Track: Η οικονομική κρίση σήμερα και ο νόμος «επιτάχυνση και διαφάνεια υλοποίησης Στρατηγικών Επενδύσεων, <http://akea2011.wordpress.com/2011/04/12/fasttrack/>

Kalantzopoulou M., Koutrolikou P.& Polychroniadi C. (2011). *The dominant speech for the center of Athens* [Ο κυρίαρχος λόγος για το κέντρο της Αθήνας], <http://encounterathens.wordpress.com/>

Karamanof M. (2010). *Viable State & Public Acquisition. The limits of privatization* [Βιώσιμο Κράτος & Δημόσια Κτήση. Τα όρια των ιδιωτικοποιήσεων], Athens- Komotini, Ant. Saccula

Lefebvre, H. (1977). *The right to the city- Space and Politics* [Δικαίωμα στην πόλη- Χώρος και πολιτική], Athens, Papazisi

Leontidou, L. (2004). *Postmodern Urban Governance: From Urban Policy to Entrepreneurial City* [Μετανεωτερική Αστική Διακυβέρνηση: από την Πολεοδομική Πολιτική στην Επιχειρηματική Πόλη], *City and Space from the 20th to the 21th century*. [Πόλη και Χώρος από τον 20ο στον 21ο αιώνα]. Athens. NTUA

Mantouvalou, M. (1995). *Urban rents, land prices and development processes of urban space. Notes on the theory through the Greek experience* [Αστική γαιοπρόσοδος, τιμές γης και διαδικασίες ανάπτυξης του αστικού χώρου. Σημειώσεις στη θεωρία μέσα από την ελληνική εμπειρία] Athens, EKKE

Mantouvalou, M. & Mpala, E. (2004). *Mutations in the system of land and building and challenges of planning in Greece today* [Μεταλλαγές στο σύστημα γης και οικοδομής και διακυβεύματα του σχεδιασμού στην Ελλάδα του σήμερα], *City and Space from the 20th to the 21th century*. [Πόλη και Χώρος από τον 20ο στον 21ο αιώνα]. Athens. NTUA

Marx, K. (1978). *The Capital Vol. III* [Το Κεφάλαιο Τόμος III], Athens, Syghroni Erohi

Papakonstantinou, P. (2008). *The gold curtain: the birth of totalitarian capitalism*, Athens, AA Livani [Το χρυσό παραπέτασμα: η γέννηση του ολοκληρωτικού καπιταλισμού], Athens, A.A Livani

Portaliou, E (2007). *Urban Planning in Athens and the greater region of Attica* [Αστικός Σχεδιασμός στην Αθήνα και την ευρύτερη περιφέρεια της Αττικής]

<http://www.monumenta.org/article.php?IssueID=2&lang=gr&CategoryID=3&ArticleID=75>

Sarigiannis, G. (2009) *Speech in a meeting of Citizens Committee in Volos*  
<http://historiasmarginales.wordpress.com/2009/06/05/anauro/>

Selianitis, Ch.(2011) *Privatization of public space* [Ιδιωτικοποίηση του δημόσιου χώρου] <http://www.prin.gr/2011/02/idiot.html>

Sassen, S. (2001). *The Global City: New York, London, Tokyo*, Princeton University Press

Spourdalakis, M. Konstandatos H. & Hadjimichalis, C. (2010). *The restructuring of Kallikratis the logic of "apokenosis the state.* [Η αναδιάρθρωση του Καλλικράτη και η λογική της «αποκένωσης του κράτους»]  
<http://www.avgi.gr/ArticleActions/show.action?articleID=578257>

Swyngedouw, E. & Moulaert, et al. 2002. *“Neoliberal Urbanization in Europe: Large Scale Urban*

Swyngedouw, E. (2005). *Governance Innovation and the Citizen: The Janus Face of Governance- beyond- the- State.* *Urban Studies* 42(11)

Vasenhoven L.. (2010) *proceedings of the Roundtable on Regional Development and Territorial Cohesion: Institutions and Inequalities* [Περιφερειακή Ανάπτυξη και Χωρική Συνοχή: Θεσμοί και Ανισότητες], *Spatial Spatial Development Policies* [Χωρική Ανάπτυξη Χωρικές Πολιτικές] Athens, NTUA

Webber, R. (2002). *Extracting Value from the City: Neoliberalism and Urban Redevelopment.* *Antipode* 34,

Zifou, M. Kalantzopoulou, M, Samarinis, P., Hadjikonstantinou E. (2011), *A first critical approach to proposals, manipulations and practices of intervention* [Μία πρώτη κριτική προσέγγιση των προτάσεων, μεθοδεύσεων και πρακτικών παρέμβασης] <http://encounterathens.wordpress.com/>

#### **Laws (internet):**

Fast-track: <http://www.fast-track.d-e.gr/?lang=en>

Kallikratis: <http://www.opengov.gr/types/?p=440>

Thanks to Danai Kirli and Evi Andritsou for the invaluable help in the English language.