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“The Need of Greece for Foreign Investments: a Geopolitical Perspective”

The debt crisis which looms over the Greek public financial system has turned the attention of the government towards the attraction of foreign direct investments (FDI) in areas of strategic importance such as the maritime sector. This includes the core commercial area of Piraeus, as well as the tourism infrastructure sector throughout the country's coastal areas. The recent agreement (May 2010) with the Chinese multinational enterprise Cosco Group includes the privatization of significant parts of the maritime trade in Piraeus, such as the terminal operation, the provision of high-quality services over ship building and repairing, and the marine engineering. It can be seen as a great commercial opportunity for Greece to set itself as the major corridor linking the fundamental crossroads of trade between Pacific Asia, the Gulf Region and Continental Europe. From a merely economic aspect, Greece can benefit not only from the economic growth and the settlement of a vital part of its foreign debt, but also from the privatization itself. This can generate and instill a labour market with job opportunities, and it can also combat unemployment, i.e. one of the crucial macroeconomic setbacks.

Furthermore, the recent visit (May 2010) of the Turkish Prime Minister (PM) Recep Tayyip Erdoğan in Greece, who was accompanied by a large group of businessmen and entrepreneurs, apart from its importance for bilateral relations, it also entails an effort for a tighter rapprochement in the field of trade, investments, and economic partnership. Following almost a century of endeavours and setbacks with the view to resolving the crucial security issues associated with the Aegean Sea, Cyprus, and Thrace, both countries seem to be finding common ground based on the bilateral economic and trade relationship in order to overcome, thaw, or put aside issues that impede serious progress. For Turkey, this visit was channeled into the wider sphere of the country's aspiration for vigorous presence in its eastern region, and for Greece it can be considered as an important evolution in the effort the country exerts in order to develop and attract funds in the tourism infrastructure sector. Furthermore, Greece is deepening and re-igniting energy relations with Libya, one of the major oil-and-gas exporting countries globally and member of the Organization of Petroleum Exporting Countries (OPEC) for the first time since the 1980s and the opening of the then Prime Minister Andreas Papandreou towards the so-called “Third World”.

The recent visit (June 2010) of the Greek PM, George Papandreou, and the talks with the Libyan leader Muamar Kadafi, signify a notable re-alignment of Greece towards dominant issues that concern the global agenda, like the establishment of energy partnerships in order to address the shortage of energy sufficiency and the building of energy diplomacy between the Western World and countries with significant amounts of natural resources.

From a geopolitical perspective, and apart from the economic and trade aspects of the strong partnerships Greece is establishing with China, Turkey and Libya, the strategic insight of such collaborations can benefit Greece's geopolitical position, which needs to be reevaluated in order to address the emerging challenges. In addition to that, given that Greece is in the midst of an uneven global, but mainly national, financial crisis, such a diplomatic breakthrough can be regarded as of paramount importance for the country's external image. Indeed, Greece is being upgraded into an equal interlocutor with future pivotal and regional players in Africa, Middle East and the Pacific Asia, footing on its particular geopolitical position between different continents and cultures. As a matter of fact, Greece can widen its

political and economic leverage through the partnership with China, as both countries find common ground in their adjacent culture in an era when almost all major worldwide players consider the potential that China possesses and try to establish strong ties with it.

Furthermore, bilateral relations with Turkey, while traditionally volatile, are moving towards a different direction with both countries' leadership showing a mutual interest in enhancing economic collaboration as a step closer to final resolution of bilateral issues at stake. Finally, the role Libya can play in the provision of energy resources is crucial given that Greece is still deadlocked in the Bourgas-Alexandroupolis Project, whereas the potential collaboration with Turkey and the South Corridor still remains at the early stages. Receiving gas from Libya would secure Greece's energy supply and would distance the country from the current dependent relationship with Russia in terms of gas provision.

All things considered, the Greek government's effort to attracting FDI and lead to economic growth with liquidity is simultaneously achieving to build upon the country's geopolitical position in order to reach its primary goal which is the exit from the debt crisis and the re-setting of the Greek economy into a sustainable and viable track of development. For years Greece failed to invest in its geopolitical leverage; it seems that the current political leadership is exploiting this comparative advantage at a time when the country is faced with questions of economic and political crisis.

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