

**Energy Democracy, Austerity Policies and Alternatives in Greece**  
**Alexis Charitsis, SYRIZA Energy Department**  
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A democratic way of producing, distributing and consuming energy, but also democracy as the framework in which important decisions regarding energy projects are taken and energy resources are handled, is a concept that is currently running throughout the energy sector in Greece.

I identify and focus on three main issues regarding energy democracy in the current political and social reality of Greece:

**A. Price of Energy, people's accessibility to basic energy services and the Right to Energy.**

**B. Privatisation of the major public energy enterprises.**

**C. The current deadlock of the Renewables sector.**

For each of these issues I will try to present the dominant concept and the alternatives that have been developed to challenge the existing policies.

- A.** i) The household and industrial prices of energy have been increased 12 times in the last 4 years, with a cumulative increase of more than 50% in the same period. The main argument of the government and the troika, which has been explicitly presented in the relevant troika reports, is that the prices should be increased in order to reflect the actual cost of production and make the "liberalised" market more attractive to the new private "players". Since July 1<sup>st</sup> 2013, household prices have been fully "liberalised", enabling PPC, which still holds 98% of the retail electricity market, to increase the prices without any restrictions. One interesting point here is that due to the unpredicted repercussions of the recession (i.e. sharp reduction of demand, total collapse of the renewables sector which by the end of 2013 will have created a deficit for the electricity market of approximately €1 bn, costly mechanisms for the promotion of private electricity production using natural gas), there is currently underway an ongoing intra-systemic "all against all" conflict between the different capitalist interests around the electricity market. Combined with the harsh impact of austerity policies on people's income, the increase in electricity prices and the introduction of new taxes in the electricity bill has made it impossible for thousands of households to cover their needs in energy and heating.
- ii) The reaction of the Left is twofold: on social level, through its solidarity structures it supports the households that face an electricity cut-off. There were many cases where people self-organised on a local level and together with electricity technicians reconnected the households to the grid. On a political level, the Left and the social movements are trying to raise the issue of electricity price as a matter of democracy. In this context, SYRIZA, as part of its short-term programme for the alleviation of the socially destructive austerity policies, has introduced the **Right to Energy**, which will ensure that no individual suffers from energy deprivation. This could take the form of a free basic amount of energy for each individual / household suffering from extreme poverty and social exclusion. The Left is also trying to identify and focus on the direct link between the privatisation of the energy sector and the increase in the price of electricity.

At the same time, there is an ongoing internal discussion, within the Left, on the cost of energy and who should pay for it. Everyone agrees that the first priority, from a leftist standpoint, should be to provide cheap energy for those parts of the society that are currently suffering. However, whether policies of reduction in energy consumption should be of equal importance is still an open issue. Furthermore, it is still in discussion whether industrial consumers (i.e. energy-intensive factories and environmentally unfriendly lines of production) should (in the current “emergency state” of recession) receive price reductions in order to become more competitive or they should pay more in order to create the space for a gradual transformation to an environmentally friendly and energy efficient production.

- B.** The struggle against the privatization of all major public energy enterprises (i.e. PPC: Electricity, ELPE: Oil, DEPA/DESFA: Natural Gas) is one of the great challenges that the Left and the trade unions are currently facing in Greece.

The privatisation process has been in progress since 2000, although it has reached its peak through the memorandum policies of the last 3 years. As it has happened elsewhere, the current model of the public sector management and functioning (corruption, ineffectiveness) has been used by the advocates of the “free market” in order to discredit public enterprises in principle and present the privatisation of the public companies as an economically sound and “morally justified” decision.

The Left has a difficult role to play in this environment. On one hand, it has to defend the public enterprises, as a way for society to control its energy resources and as a precondition for an alternative, democratic energy system, and on the other hand to differentiate from the existing model and propose a completely different structure and management of the public energy corporations with democratic and social control.

For more information on PPC, the largest corporation in Greece, and an alternative model for it, please refer to Yannis Efstathopoulos’ paper: “Energy Democracy & the Future of Public Power Corporation (PPC)”.

- C.** Green Economy (i.e. the development of the Renewables) has been one of the major development plans for Greek capitalism in the last decade. On economic terms, it was seen as the only way to “refuel the locomotive of the Greek economy”, the construction sector. On ideological level, Green Economy was used by the dominant political forces in order to obtain consensus by large parts of the petty bourgeoisie (both on the side of ownership and on the side of project execution: from farmers and land and house owners, to engineers and small construction companies). On nominal terms, the project has reached its targets: the current national target for the development of Photovoltaic installations for 2020 (2,2GW installed power) has already been reached.
- On social, economic and political terms, though, the situation is completely different: Leaving the development of the sector to the forces of the market and introducing the highest FITs in Europe led to an unplanned boom of the renewables. The sector has now collapsed due to the inability of

the system to pay the producers. As a result, the licensing process has now been suspended until further notice.

More importantly, passing the cost of renewables to all consumers through their electricity bills and the lack of transparency and democratic control of the process of licensing and implementing large-scale renewable projects has created great discontent in the public.

It is not a coincidence that many, if not all, of the major social movements around energy issues that have been developed in Greece in the last decade are local initiatives against the construction of large-scale renewable projects in their area. Despite their contradictions and generalisations, all these movements raise the issue of democracy (or the lack of it) in the decision-making process. Many of these large-scale projects have been licensed and constructed through “fast track” procedures, i.e. by bypassing the existing environmental and spatial planning legislation.

### **An alternative model for the development of renewables as part of a wider social emancipation process**

From a leftist perspective, it is obvious that the capitalist plan for the development of the Green Economy project was not an environmentally or socially driven decision. It was seen as another investment opportunity for the over-accumulated capital. Greece is a great example of this trend, as **Green Economy coexists in the same plan for capitalist growth with the other great national idea of our times, what I would call Black Economy, i.e. new extractivism and exploitation of potential oil and gas reserves.**

Within this dominant context, the role of the Left is crucial. It has to clarify that **the ecological transformation of the Economy is not a tactical decision, as it is for the capitalists, but a strategic goal which is directly linked to the wider concept of social emancipation.** In that sense, an alternative model for the development of the renewables and the gradual reduction in the dependence on fossil fuels is not perceived solely as a technological change, but as part of a deeper transformation of the production process. Creating the legal, economic and social framework for the promotion of small-scale, local and decentralised renewable projects, the introduction of new economic and ownership structures (e.g. cooperatives), the democratic and social control of public energy corporations and energy resources should be seen as part of this process.