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Privatization Under Duress: The Privatization of the Greek Economy

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Introduction

Greece is undergoing major economic turmoil with a national debt of 143 percent of GDP in 2011 and a budget deficit of 10.5 percent of GDP. In spite of this heavy debt burden, Greece needs to raise large amounts of capital in the near term. In 2010, the European Union (EU) and the International Monetary Fund (IMF) gave Greece the task of selling €50 billion of state-owned assets enterprises by 2015 to private investors. In order to raise €50 billion and decrease its sovereign debt through privatization, Greece needs to create an appetite for such investment. The main goal should be to attract foreign direct investment (FDI) to channel new wealth into the Greek economy rather than shuffling current wealth among domestic investors.

The Greek government publicly owns many large enterprises such as the Public Power Company (PPC), the Public Gas Corporation, Thessaloniki Water Supply Sewerage Company, the Hellenic Telecommunications Organization, Hellenic Petroleum, and Hellenic Railways Organization. The Greek government also has many properties that could be sold through privatization. For the purpose of this paper, these publicly owned assets will be referred to as state owned enterprises (SOEs). Greece’s SOEs ownership accounts for about 40 percent of GDP (CIA). The privatization of these SOEs is an essential step in revitalizing the Greek economy.

Although Greece has many large SOEs to attract investors, the stability of Greece’s economic and political environment raises much concern. Since entering office in 2009, Greece’s socialist government has sold relatively few assets. Greece has had difficulty implementing its privatization program, selling off smaller blocks of shares rather than selling majority ownership. This strategy raises a number of critical questions: (1) Greece has strong labor unions, and the government fears opposition from these organizations. Also, Greece is ranked 109th in ease of doing business, according to the
International Finance Corporation’s survey on the “ease of doing business,” and is therefore unattractive to investors. Given this combination of labor militancy, a difficult business environment, and the very deep economic crisis in Europe, will Greece find qualified investors to purchase its SOEs? (2) Is €50 billion a realistic number or essentially a plug pressured by the IMF, European Central Bank, and European Union (collectively known as the Troika)?; and (3) How can Greece implement a successful privatization program?

This paper examines the strategy and different forms of privatization, how privatization can be used to strengthen a nation’s economy, factors to consider when designing a successful privatization program, different methods of privatization, and strategies by which Greece can use privatization effectively to establish more FDI.

Privatization—An Overview

Over the last three decades, privatization—the sale of SOEs to private investors—has been shown to be a viable strategy for governments working to improve economic efficiency and stimulate growth. The sale of SOEs transfers ownership and control from the government to a single party or group of investors.

There are many reasons why governments elect to privatize. Factors include the current economic climate and the impact a government wants to make on its economy. Goals of privatization include promoting economic efficiency and growth, raising revenue for the state, creating an opportunity for competition and development, developing a national capital market, and ultimately relieving national debt (Lieberman et al., “An Overview . . .,” p. 11). It is important to note that privatization alone does not directly achieve all these goals. Privatization does directly relieve national debt, but promoting economic efficiency, growth, competition, and developing capital markets relies strongly on new private owners and the quality of the privatization program. This quality requires governments to be fully committed to a well-strategized privatization program that will ensure a proper platform for these other goals to be achieved (Lieberman et al., “An Overview . . .,” p. 3).

Developing a Strategic Privatization Program

The development and implementation of a well-strategized privatization program hinges on several key factors. Political support, coupled with economic reforms, and transparency must be considered in the development of a successful privatization program (Lieberman et al., “An Overview . . .,” p. 7).

Privatization is a highly politicized process. It involves the transfer of the nation’s wealth, i.e. its “crown jewels,” to the private sector. Successful privatization requires resolve on the part of the government. There are two types of privatizing governments: populist and committed governments. Populist governments do not privatize for future economic benefits and do not necessarily favor privatization. These governments tend to privatize due to political and economic pressures to raise funds and escape financial pressure. Some populist governments seek to interfere, post-privatization, to redistribute the value gained from privatized firms. Committed governments, however, are eager to privatize because of the long-term economic benefits. A committed government allows for successful privatization because it provides investors with confidence that economic benefits will emerge quickly. A privatization program under a committed government with transparency is seen as legitimate by investors. Investors therefore have more confidence in committed governments because they allow privatized firms to make major operational changes that drive profits (Jones et al., p. 5).

In addition to the government’s commitment, other important factors include the endorsement of current employees of the SOEs and the population at large. The general public typically resists privatization because of the potential for layoffs, reluctance to the transfer of national assets to foreign control, citizens seeing themselves as losing stakeholders, and uncertainty about the end result of privatization. This resistance is why it is essential for governments to be committed in order to mediate these concerns to gain public support. To this end, privatization initiatives must include education programs that inform the public on the benefits of privatization (Lieberman et al., “Privatization Practice Note . . .,” pp. 8, 11).
To increase chances of success, privatization must be coupled with other reforms such as measures to increase the ease of doing business, simplify investment processes, and improve environmental policies. When the current business circumstances are not structured for a private economy, these additional reforms are necessary to create a more business-friendly platform. In many cases these additional reforms need to be put into practice before the privatization program begins (Lieberman et al., “An Overview . . .,” p. 8–9).

Privatization programs must also follow due diligence and maintain transparency. Specialists should be hired to ensure proper implementation, that all SOE transactions avoid corruption, and that details of the program are published and available to the public. Professionals such as lawyers, accountants, and investment bankers should ensure that sales are conducted through competitive processes to avoid negotiated SOE sales (Lieberman et al., “An Overview . . .,” p. 9).

Indirect Effects of Privatization

Well-stratagized privatization programs facilitate the indirect goals of privatization: economic efficiency, growth, competition, and developed capital markets. Removing SOE operations from government control is often the key to promoting efficiency and competitiveness, largely because private ownership emphasizes generation of profit. Ehrlich, Gallis-Hammonn, Liu, and Lutter (1994) conducted a study of 23 international airlines between 1973 and 1983 to compare the effects of both private and state ownership on productivity and operation costs (cited in Megginson and Netter, p. 48). Their study found that the change from state to private ownership increased productivity and growth by 1.6–2.0 percent and reduced costs by 1.7–1.9 percent each year. Because privately owned SOEs emphasize profit maximization, they are more likely to implement restructuring measures to ensure economic viability. Furthermore, privatization generates large revenues for governments without raising taxes and by cutting government spending. Between years 1988 and 1999 governments worldwide raised over $1 trillion through privatization (Megginson and Netter, p. 6). Privatization allows governments to capitalize on SOEs that are failing, or performing poorly, under state ownership.

New opportunities for competition and development arise from privatization. By selling off SOEs, governments open doors for investors and entrepreneurs to develop competing businesses and participate in industries newly available to them. Under private ownership, industries improve because there is incentive to develop and invest back into businesses, whereas under state ownership there is very little incentive for development because there is no profit motive or competition when the state is in control.

National capital markets are created from privatizations. Under state ownership, SOEs are typically not traded in capital markets. When SOEs are privatized through the selling of shares—a share issue privatization (SIP)—jobs and new wealth are created. New investing and financing opportunities arise when new industries become available for trading and development of new secondary markets. The ten largest share offerings in history have been privatizations, each of which generated more than $12,000 million in revenues. According to Jones, Megginson, Nash, and Netter, 30 of the largest 35 share offerings have been privatizations (Jones et al., p. 44). In 11 European countries, privatized firms are either the first or second most valuable companies in their respective capital markets. These firms are responsible for large percentages of the total capitalization of those national markets (Megginson and Netter, p. 44).

The goals of promoting economic efficiency and growth, raising revenue for the state, creating opportunities for competition and development, and strengthening national capital markets are all interrelated. For example, when capital markets are developed, economic growth derived from increased efficiency and liquidity gives rise to new investment opportunities. Raising state revenues allows for appropriate and more efficient spending on infrastructure and community development in order to increase competition. A subsequent section of this article includes a discussion of how the Greek government can use its capital to enter into concession agreements to promote the improvement and development of infrastructure.
A concession agreement is an agreement between a government and a private sector company that divides the collection of revenues from fees and royalties between both parties. The private company provides needed services and capital investments in exchange for these revenues.

**Methods of Privatization**

There are two ways to divest companies in the tradeables sector (companies that buy and sell goods and services): to sell assets or to sell shares. Most privatized SOEs are transformed first into shareholding entities through a process known as corporatization, which precedes privatization. At this point the state remains sole shareholder. There are several methods for privatizing state-owned companies once they have been corporatized. They are as follows:

- **Auctions**—usually for smaller to mid-size companies
- **Management employee buyouts (MEBOs)**—also for smaller to medium size companies
- **Tenders**—closed or open tenders, usually for larger companies
- **Share Issue Privatizations (SIPs)**—involving capital market listings.

Privatizations often involve a combination of these methods. For example, a large state-owned group might spin off non-core, smaller holdings for auction. Then a block of the core business might be sold to a strategic buyer, who is offered management control. Finally, the remainder of the business might be offered as an SIP on a domestic or international stock exchange (Lieberman, Ira).

An unfavorable economic environment and uncertain perception of the viability of a nation’s privatization program can make it difficult to attract investors for SOEs. Alternative privatization methods can be used, along with coupled reforms and regulations, to enhance the platform for full privatization. Alternative methods include corporatization, contract management, contracting out, concessions, and lease-purchase agreements. These methods are strategies of divestiture that make SOEs more market oriented, and methods such as lease-purchase agreements reduce the amount of capital an investor must initially invest. Concession agreements are the best alternative to privatization because the method is the most market oriented (Lieberman et al., “An Overview . . .,” p. 24).

**The Greek Environment**

The potential privatization of the Greek economy is a unique situation in that the push to privatize is mostly coming from external creditors. Anecdotal evidence from newspapers and interviews suggests that Greek citizens strongly disapprove of privatization. Harder evidence from opinion polls suggests that only 42 percent of Greek citizens have a positive opinion of privatization (“How Greeks Judge Privatization,” p. 9). The privatization of Greek SOEs would be a major change in a long-standing economic structure. A new type of privatization comes about with the current Greek situation—privatization under duress. The IMF, European Central Bank, and European Union (i.e. Troika) strongly encouraged the previous, populist Pasok government to commit to a privatization plan.

In many ways it is similar to the situations faced by Mexico after the 1980s debt crisis, by Argentina in 1990–1991 with the need to resolve a macro-economic crisis, including rampant inflation and a large debt overhang and an uncompetitive economy, and Turkey following its financial/economic crisis in 2001–2002. The IMF and World Bank pressed Mexico, Argentina, and Turkey in similar fashion as part of their structural reforms, following their respective crises (Lieberman, Ira).

More specifically, the IMF and European Union have put pressure on Greece to raise €50 billion by the year 2015 through privatization methods. These austerity measures, in addition to bailout packages, should lower the Greek deficit by cutting back on public sector jobs, removing liabilities from the books of the Greek government, shutting down unprofitable SOEs, and raising private-sector capital. As a social welfare state, Greece not only has more than 675,000 public servants as of August 2011, but also has strong public-sector unions (“General Government . . .”). This transformation from a populist to a committed government is a complicated process because of the potential discord between Greek government and citizenry.
The Relationship between the Greek Government and its Citizens

Public protests, some of which have been violent, attest to the reactions of the people to the actions of the government. On an intensity scale from one to ten, 47 percent of Greek citizens believe protests should be at an intensity level of 10 with an average of 8.4 among all surveyed (“Memorandum & Debt . . . ,” pp. 15–18).

The powerful Greek labor unions contribute to the majority public opposition to privatization. The Anotati Diikisis Enoseon Dimosion Ypallilon (ADEDY) public-sector trade union strongly opposes privatization. ADEDY believes that privatized SOEs will not have the ability to sustain further development in areas such as utilities needed to raise the standard of living for working people (Gilson). In an interview with Athens News, ADEDY president Spyros Papaspyros stated, “We are fighting to block privatizations. The impact of not having public hospitals, public education, public electricity and water and mass transit companies is tremendous. . . . Here, a cost-benefit analysis is not enough—you must compare cost to economic and social benefit. In other countries where these services have been privatized, the cost of living skyrocketed” (Gilson). The ADEDY union also believes that massive layoffs and the shrinking of the public sector under the demands of the Troika bailout package is against the constitution of Greece. The main argument from the unions against shrinking the public sector is that a decrease in the number of public workers will cause the unemployment rate to rise even further (Gilson).

A major problem is that Greek citizens are not sufficiently informed about Greece’s financial situation. According to a Public Issue report on SKAI Television and Radio, 60 percent of Greek citizens are uninformed about the role of the IMF, 74 percent have a negative opinion towards the IMF, and 64 percent believe that countries that have received loans from the IMF in the past have not benefitted (“Memorandum & Debt . . . ,” p. 47). Only 17 percent of Greek citizens believe the Greek government should continue to implement the measures of its memorandum (recovery plan) with the Troika, while 53 percent believe that Greece should negotiate with creditors to pay only part of its debt.

Clearly, there is a disconnection between the perception of many Greek citizens and the plans for recovery. The majority of Greeks, 56 percent, believe that major changes are needed; yet in contradiction, it can be said that proposed changes, and changes currently in practice, are widely unpopular (“Memorandum & Debt . . . ,” pp. 52–58). It seems that a possible reason for this disconnect is that the need for these changes is acknowledged, but many Greek citizens do not see how they will benefit from these changes. Essentially, Greek citizens remain unconvinced of the need for painful changes and prefer instead to keep their current way of life.

The views of the public sector can largely explain this complacent attitude of the Greek population. Public-sector civil servants currently have a favorable situation in Greece. Pensions are easy to come by, retirement can occur at a relatively young age, and labor unions provide job security. Greek citizens do not want to believe that shrinking its public sector can ease the burden on the Greek government and its people. According to surveys, 33 percent of Greek citizens believe that politicians are the main cause of the Greek debt crisis. However, only 2 percent believe that a bloated public sector is the main cause and, again, only 2 percent believe that the lack of development and industry is the main cause. Of the 28 percent of Greek citizens who claim to have participated in protests and strikes, 57 percent are public sector employees and 14 percent are receiving pensions (“Memorandum & Debt . . . ,” p. 32). These data show that much of the disconnect between citizens’ beliefs and the recovery plan is due to the influence of the public sector.

To implement any privatization strategy effectively, the Greek government will need to manage appropriately the reactions of its citizens and labor unions; it will also need to educate its population to dispel concerns and curb disapproval. This extremely unfavorable environment makes the Greek government’s attempt at privatization a sensitive matter that requires a well-strategized plan.
The Greek Privatization Fund (HRADF)

Greece established the Hellenic Republic Asset Development Fund (HRADF) as a privatization fund that is fully functioning as of August 2011. Assets to be privatized are placed in the fund and are prepared to be sold. It is essential for the Greek government to play its part in the privatization process and commit to operating the HRADF effectively. For the HRADF to operate properly, the Greek government must continuously place assets into the fund, but it must also commit to preparing assets for privatization through such measures as creating portfolios for real estate assets and unbundling utilities. Delays and administrative complications impeded the process of establishing the HRADF. Though there are concerns about the government’s commitment, the Mission (ECB, IMF, and EU inspectors) has determined that the Greek government’s level of commitment is satisfactory and has the assurance of the Greek government that if receipts collected fall short of its target, then larger stakes of SOEs will be sold (“The Economic Adjustment . . .”).

Strategies for a Privatization Program in Greece

An SIP sale is ideal for larger corporations, such as Greece’s Public Power Company (PPC), Public Gas Corporation, and OTE Telecommunication Company, to strengthen Greece’s capital markets and to encourage support from private Greek citizens for privatization. Issuing more shares into the market will develop capital markets. The ability to sell shares of large corporations to multiple investors, rather than to a single individual or small group of investors, allows for the average citizen to play an active role in the process. Providing citizens, many of whom would be public sector employees, with the shares of these SOEs would immediately show that privatization has direct benefits (Jones et al., p. 2). It is important to note that privatization is usually defined as the sale of 51 percent or greater of an SOE. Greece seems to be selling share parcels or blocks and is maintaining control through majority share ownership. This tactic is unlikely to attract the type of strategic investors needed to restructure and modernize Greek industry and enhance competitiveness. Government residual share ownership allows the government to have control and interfere, increasing the chances of corruption.

While it is appropriate for Greece to sell its larger SOEs through SIPs, smaller SOEs should be privatized through auction and concession agreements. The organizational structure of smaller SOEs is simpler and less regimented than that of the larger SOEs, which allows more room for owner influence and future development to improve operations. Many of the SOEs under this category lack funds and attention from the state to develop. For example, the Ellinikon Old Airport is a large piece of land that has been vacant for many years, though there have been a few proposals for its use. Another example is the highway system project that the government has been struggling to complete due to a lack of capital. The highway system will be discussed in more detail in a subsequent section of this article.

Early Efforts in the Greek Privatization Program

Greece already has some experience with privatization, but it certainly has not been a recent strategy. Privatization in Greece has slowed drastically since 1998 when €2,104 million were raised through privatization. In comparison, Greece raised €848 million through privatizations in 2009, and only €7 million in 2010 (“Greek Privatization Revenues . . .”). Greece’s current debt situation and its consequent need to raise additional funds caused a major spike in privatization efforts in 2011. This need and responding effort are likely to remain high in coming years.

By the end of September 2011, the first privatization transactions of the HRADF were completed. These transactions involved the sale of a stake of the OTE Telecommunication Company, and concession agreements involving casinos. These transactions raised €1.2 billion in receipts, but only €392 million from the sale of a 10 percent stake in OTE have actually been collected. By the end of November 2011, receipts of €849 million from the gambling concessions are to be collected, and an additional
€86 million are expected by the fourth quarter of 2013 ("The Economic Adjustment . . .").

**Using an SIP Strategy in Greece**

An SIP strategy will be effective in privatizing Greece’s Public Power Company (PPC). PPC is the biggest power generator, the only power supplier, and the overall largest business in Greece (PPC). The large size of the PPC and all its different segments make it ideal for privatization through an SIP. The tradable sector for utilities can be broken down into stand-alone economic components, and PPC can be broken down into electrical generation and electrical distribution. Rather than having one company that does both, multiple companies can provide these different processes.

Shares of PPC can be issued through a private tender offer, where an investment bank advises and assists the government in soliciting interest from a group of qualified investors. Qualified investors must be in the same line or related line of business with sufficient resources to purchase companies and restructure them, post-privatization. The buyer ideally has technological know-how and market access in world markets to ensure viability. IPOs are typically used when there is a high volume of interested investors.\(^1\) The current economic situation, where market prices are low, requires additional caution. If the Greek government is optimistic that the markets will rise, it would be strategic to sell only a portion of the shares initially and then wait to sell more when the markets rise. Using this staggered-sale method and selling at a discount could cause problems for the Greek government because of privatization under duress. These methods may not generate the adequate funding needed to raise the revenues required by the IMF and European Union bailout agreement. These problems explain why the Greek government needs to find an optimal mix between a staggered SIP and underpricing (i.e. selling shares for below market prices).

The Greek government also has to consider its options in regard to restructuring PPC. It would be best if restructuring did not take place before the sale of an SOE. The problem is that it is hard to attract investors to buy large companies that are both vertically and horizontally integrated the way Greece’s PPC is. Investors prefer SOEs that they can easily picture taking over. Therefore, some restructuring needs to be done—but as little as possible (Lieberman et al., "An Overview . . . ," p. 21). In regard to PPC, the Greek government should limit restructuring to the letting go of excess workers, reorganizing its debt, and auctioning off its subsidies. This process of restructuring is needed for most large corporations in infrastructure, energy, and natural resources, such as PPC. For successful privatization, a strong framework of new reforms and regulations must be put in place to allow these businesses to be competitive in a market-oriented economy. This process is more gradual compared with that of tradable and small businesses (Lieberman et al., "An Overview . . . ," pp. 20–21).

Another interesting aspect of the SIP approach is its potentially favorable impact on the political environment. In his analysis of the relationship between political and economic objectives, North (1994) claims that without transaction costs every issue can be worked out through a private market (pp. 360–66). Jones, Megginson, Nash, and Netter (1999) add to North’s (1994) argument by stating that, since no political system is realistically as efficient as North suggests, it is possible for parties affected negatively to receive benefits (Jones et al., “An Overview . . . ,” p. 9). PPC labor unions and employees can benefit from the SIP in exchange for cooperating with the privatization program. This benefit can be achieved by selling a percentage of PPC shares directly to current employees in order to show how they can directly benefit from the privatization. As labor unions and employees are pleased by this exchange there will be growing support of the Greek government through this privatization process.

**The Use of Concession Agreements for the Greek Motorway Project**

The motorway construction project already in progress demonstrates how concession agreements can be used as a proxy for

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1\(^A\) tender offering can be combined with an IPO. The tender attracts a strategic buyer and the subsequent IPO is generally more successful with investors knowing that a strategic investor is managing the company.
privatization and thereby encourage investment in Greece. In 2007 and 2008, the Greek government completed its plans to begin construction on five major motorway projects through the “Development of Motorways” program of the Ministry of Environment and Public Works. The Greek government decided to engage in concession agreements with five privately operated international and Greek construction companies that would fund, construct, and operate the motorways. In three of the agreements the Greek government will share toll revenues, while in the other two agreements the Greek government will pay an operation subsidy to help fund the projects (Smyrnioudis).

One of these projects is the reconstruction and improvement of the Maliakos-Kleidi Motorway, which runs north/south from Kleidi to Raches on Maliakos Bay—a 230 kilometer section of the National Road that links Thessaloniki and Athens. In June 2007, the Greek government signed a concession agreement with Aegean Motorway S.A. which will finance, construct, and operate the motorway for 30 years and then hand the motorway over to the state in year 2038. The Greek government contributed €296,000 (22.77 percent of the total initial funding) to this project, and after construction half of the revenues generated from the highway will be given back to the state for reinvestment in other projects (Gatsonis, pp. 5–12).

With the use of concession agreements, the Greek government was able to begin construction on these 5 major projects while avoiding a large financial burden and the responsibility for operating and maintaining the motorways. By releasing this responsibility, the Greek government has decreased its liabilities rather than increasing its debt.

The construction of the Maliakos-Kleidi Motorway is also an example of the benefits of private ownership. To enhance the quality of the motorway, the Greek government made additional improvements that would not have been possible in a solely state-funded project. Aegean Motorway S.A. has purchased motorway cleaning, maintenance, road service, and patrolling vehicles strictly for use on the Maliakos-Kleidi Motorway. It has also added motorist service stations and has provided mile markers and an emergency service for drivers to call for emergencies (Gatsonis, pp. 10, 17–18, 23–26).

Although there has been success with the Maliakos-Kleidi Motorway project, parts of the motorway are still not complete, and the overall “Development of Motorways” project has encountered many delays due to problems with financing. As revenue forecasts were updated, the viability of the project was jeopardized and, as a result, construction stopped. It is important for the privatization program that the long-term viability of these projects to be agreed upon and construction resume. For the privatization program, the Greek government intends to monetize these concession agreements by assigning rights to future revenues to a private company whose shares will be sold to investors (Smyrnioudis).

Increasing Investment Interest through Necessary Reforms

In order to attract investors, the Greek government needs to build confidence in an optimistic future by creating a proper platform. To this end, the business environment of Greece must be reformed, the support of Greek citizens must increase, and, most importantly, the Greek government must show its commitment to the privatization program.

The business environment of Greece is inefficient and burdensome for both starting and investing in businesses. Of 183 countries, Greece is ranked 109th for the ease of doing business and 154th for protecting investors (“Doing Business . . .”). To attract investors, the Greek government must improve its currently unfavorable and unattractive conditions for business operation. The Greek government has a drafted “Business Friendly Action Plan,” but does not want to present the plan to the public until a newly related law is drafted and announced. This draft action plan includes actions related to simplifying business processes and rules (“The Economic Adjustment . . .”).

Reforms also need to be made to the Fast Track program that provide a simple streamlined process for investors who must invest €200,000,000 or more and provide 200 new jobs (“Fast Track”). The idea behind the program is to prioritize larger investors who will invigorate the economy by investing more money than will smaller investors. The problem with the
program is that there are few investors, if any, who are willing to invest €200,000,000 in Greece to make this program viable.

**Conclusion**

Unique to the privatization of the Greek economy is the relationship between the Greek government and its citizens, as well as its relationship with the Troika and the pressure it places on Greece. The result is a situation of privatization under duress. The Greek government needs to use privatization to raise revenues of €50 billion by 2015, but because of the nature of these relationships, the time and care needed to ensure a successful privatization program, and the current economic climate, this benchmark may be unrealistic.

With little room for negotiation, the Greek government must take whatever it can with little money spent on restructuring. To attract direct foreign investment, signs of future economic optimism must be apparent. For this reason, the Greek government needs to focus domestically first. Laws and processes for conducting business must be reformed, and the privatization program needs to be put into action with strategies to gain the support of the Greek citizens.

The timing of the required €50 billion does not comply with the time needed to tackle domestic issues, attract large investors, and accept the discounted prices at which the Greek government will have to sell its SOEs. It seems that there is opportunity for Greece to privatize its SOEs, but requirements of the Troika are too harsh for the necessary privatization tactics to take place to ensure success of the Greek privatization program and the future economic stability of Greece.
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