

Port City as Strategic Frontier

COSCO, Sovereignty, and the Remaking of Piraeus

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The Strategic Transformation of the Port of Piraeus

The Port of Piraeus represents one of the most significant infrastructure transformations in the Mediterranean region, embodying the promise, complexity, and challenges of international development cooperation. The Port of Piraeus transformation began with China's Belt and Road Initiative (BRI), launched in 2013 as a global development strategy connecting Asia to Europe through maritime and land corridors. For China, Piraeus serves as a strategic transshipment hub on the Maritime Silk Road in Europe, a crucial node that reduces shipping time from Asian to European markets via the Suez Canal (Tzogopoulos, 2020).

Through this investment, Piraeus has been elevated as a logistics hub linking three continents. COSCO Shipping Group's investment embodies the BRI strategic vision of enhanced connectivity and shared prosperity. It simultaneously makes visible the tensions between Greece's legal commitments to the European Union and NATO and its sovereign right to engage third-country capital. These tensions surface in questions of security, dependence, and social cohesion. It also implicates a complex of unequally empowered stakeholders with divergent priorities and visions for Piraeus' waterfront and littoral communities.

Situated in the European Union's southeastern borderlands, Greece sees COSCO's investment as a significant stream of new capital that complements EU structural funding and, specifically, support for the multimodal Trans-European Transport Network (TEN-T, along TEN-E for energy, and CEF Digital for data connectivity). The Connecting Europe Facility (CEF) remains the EU's dedicated funding mechanism supporting TEN-T and its cross-border Transport Corridors, which coordinate planning, permitting, investment, standards, environmental compliance, and competition rules across Member States (transport.ec.europa.eu).

While EU structural funds remain an irreplaceable support for Greece's current accounts, increasing direct investment (FDI) is a strategic imperative for debt reduction and sustainable development. Greece's poor record in attracting FDI – shaped by an opaque and complex regulatory environment, high effective tax burdens, chronic underinvestment in growth-generative sectors outside tourism, and compounded by

the extreme financial and sovereignty crises of 2009-2015 – has gradually improved through structural reforms and sectoral diversification (IMF, 2025, p. 32). FDI peaked historically in 2022 and has since stabilized at a level that meaningfully contributes to Greece's current accounts.

The deep economic trough of 2009-2015 compelled Greece to accelerate privatization and accept investment deals with international investors that, in different microeconomic conditions, might have been deemed suboptimal. To that point, the agreement between Greece and the People's Republic of China, and by extension COSCO, directly raises questions of regulatory sovereignty, primacy, dependence, and precedence (how Greece, as host state, can simultaneously comply with EU decisions and meet contractual obligations to a third-party investor). Given the divergent geopolitical priorities of the EU and China, Greece is precariously positioned to fall short of expectations of either partner (or both).

This political, economic, and diplomatic maneuvering highlights interactions among the highest tiers of state and corporate stakeholders. The impacts on lower-order stakeholders, and the real places they inhabit, are less visible. The goal here is to identify and understand all stakeholders: Scaling up, from local communities and civil society organisations to prefectural, national, and EU authorities, to the broad range of economic actors, including labor, maritime shipping companies, port services providers, and small- and medium-sized enterprises. Mapping the full complexity of power relations, planning preferences, and structural dependencies can reveal more optimal outcomes that serve Greece's development needs, Chinese investment objectives, and community well-being, while limiting negative externalities for those most structurally marginalized.

Balanced negotiation strategies (a mix of integrative (winner-takes-all) and distributive (shared benefits) negotiations) yield better outcomes (Baarfeld et al., 2025). However, the COSCO-Piraeus case demonstrates that negotiation theory must better account for situations where power asymmetry is so extreme that one party can impose outcomes without meaningful negotiation. A granular stakeholder map provides a clearer baseline for understanding such asymmetries and for shaping future negotiations—where imbalance is inherent. If more balanced negotiations were pursued, governments—national (Greece and China), regional (Attica and Saronic prefectures), and local (Piraeus and adjacent municipalities)—could mediate more effectively between global capital and local needs.

The Presidential Decree and institutional transformation [insert Figure 1 in this section]

The Port's transformation unfolded in three phases that progressively embedded COSCO's corporate strategic vision into Greek state legal structures. The 2009 concession granted COSCO operational rights to Piers II and III while nominally maintaining shared control with the Greek State. The 2016 acquisition converted contractual arrangements into equity ownership: COSCO secured 67% of the Port of Piraeus's shares and committed to invest €294 million in infrastructure investments (MFA, 2016).

The pivotal change came with Presidential Decree FEK 32/D'/25.01.2023, which transcended typical regulatory approval to inscribe COSCO's Master Plan directly into Greek planning law. The decree specified zones (such as cruise terminals, logistics centers, commercial space, and ship repair facilities) with tailored building and zoning profiles. To the consternation of preservationists, archaeological protections for the Themistoclean Walls shifted from the Archaeological Service holding veto authority to a regime of "limited protective restrictions." This simplification and fast-tracking of procedures effectively bypass standard (slower, multi-party, negotiated) planning processes.

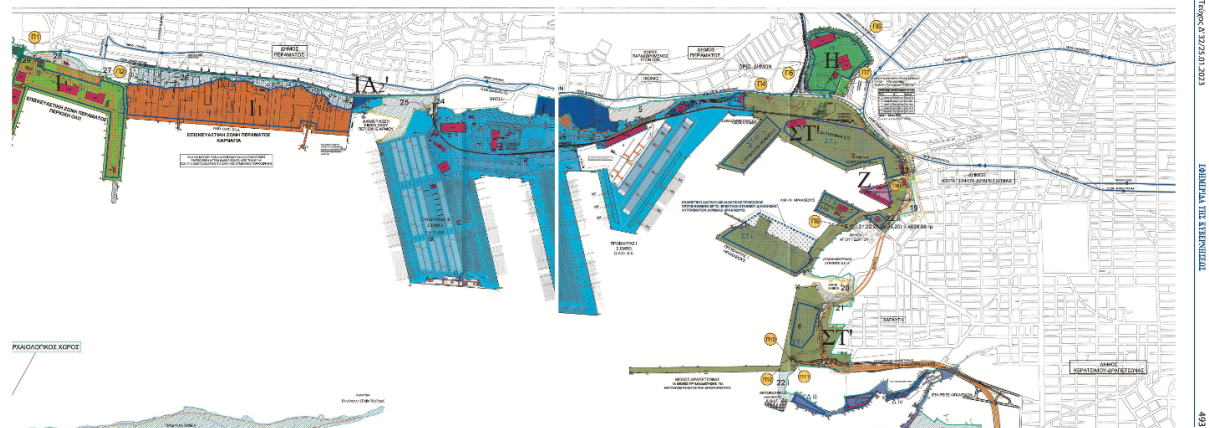


Figure 1

FIGURE 1

On the one hand, Greece's international creditors nominally support such neoliberal reforms. The Decree aligns with the IMF's recommendations for a more transparent, less cumbersome, less tax-burdened, FDI-friendly regulatory environment. On the other hand, the Decree moves beyond conventional privatization and concessions. It signals the creation of graduated sovereignty in zones along Piraeus' waterfront where corporate planning supersedes municipal authority. The agreement establishes the master plan's procedural legitimacy and crystallizes the reordering of sovereignty at the Port.

Arenas of contestation [insert Figure 2]

Piraeus operates within overlapping and sometimes contradictory governance frameworks. These frameworks create unevenly distributed opportunities and constraints across the stakeholder map. At the state-to-state level, BRI's objectives articulate the strategic direction and financial backing of Chinese state institutions (as in the case of COSCO-in-Greece). They also catalyze other corporate and private equity investments, attracted by the economy's new openness. Greece's neoliberal pivot after 2019 reflects the legacy of the persistent debt crisis. Its grand strategy foregrounds economic recovery, employment generation, and political stability, often at the cost of social equity and cohesion.

At the transnational scale, EU regulators express concern over China's penetration of the Single Market (Thompson et al., 2025). EU environmental and competition rules impose obligations on Greece that may conflict with third-country investment agreements. Compliance with the EU "acquis" can entangle projects in litigation, discouraging future FDI. In COSCO's case, EU démarches delayed, but did not derail, the Port redevelopment.

NATO security protocols add another layer. They establish restricted zones and information-sharing requirements, binding Member States to the organization's security posture. Greece retains sovereign discretion to modulate compliance, but NATO tolerance would diminish sharply if NATO-China relations deteriorated in the Taiwan Strait or South China Sea. Despite the EU's preference for resolving disputes within the framework of international law, power-balancing logics, rather than international law alone, would shape expectations of Greece's obligations (Cotter, 2019, p. 273).

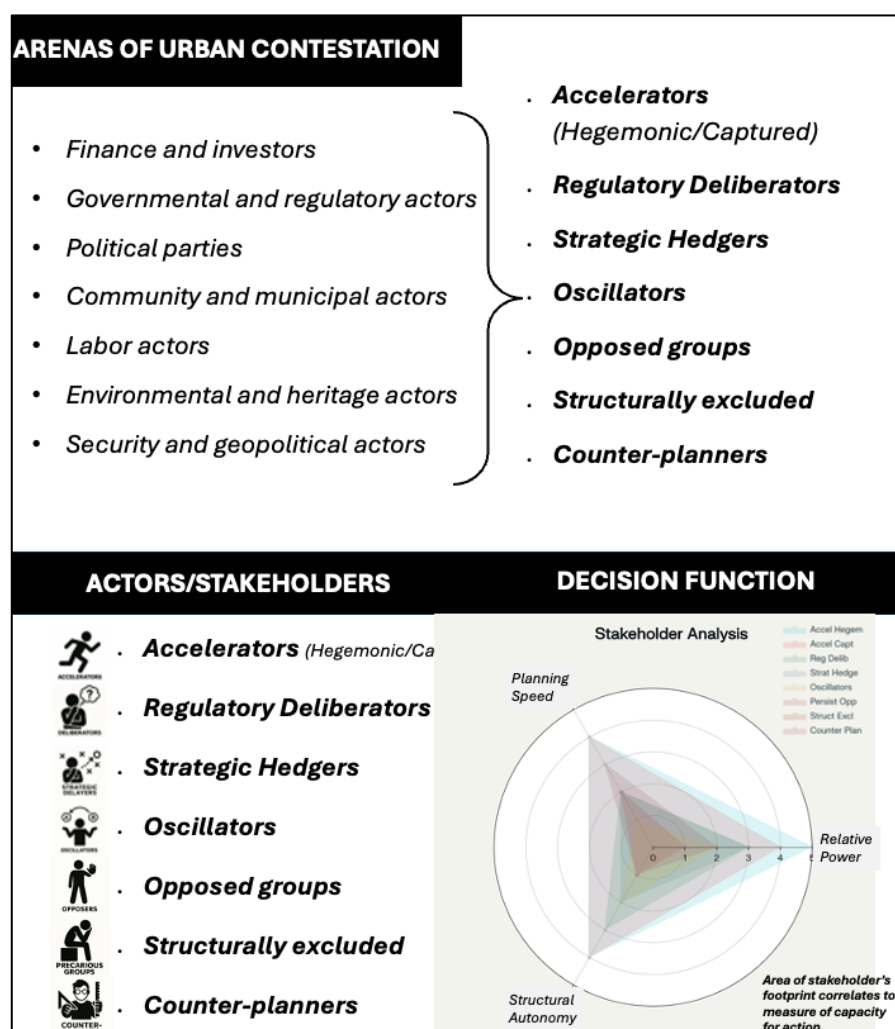


FIGURE 2

In the COSCO case, and in port-infrastructure FDI more broadly, Greek shipping corporations occupy a unique trans-scalar position: simultaneously transnational (through fleet mobility and integration in global logistics corridors), yet locally

embedded within regulatory frameworks and community settings. Their positionality allows them to act as intermediaries between global flows and local institutional terrains. Without refuting the structural explanation, Huliaras and Petropoulos argue that personal networks and elite brokerage, rather than formal institutional channels, catalyzed Sino-Hellenic engagement, linking the Prime Minister, shipowner Vassilis Constantacopoulos (Costamare Group), and COSCO in a form of personal diplomacy (Huliaras & Petropoulos, 2024, pp. 223-224). Structural or agentic, the shipping industry's interests straddle scales: It courts customers internationally; must comply with national transportation policies; and, simultaneously, operate in real places and communities, employing merchant mariners and port facility workers. To wit, it needs maintain working relationships with unions and waterfront municipalities.

Jumping scales to "the local," littoral municipalities of Drapetsona, Keratsini, and Perama are where urban economic change lands the hardest. These working-class neighborhoods have served Athens' industrial needs, hosting fertilizer plants, oil tanks, warehouses, and shipyards for decades. Deindustrialized in the 1980s and further marginalized during the 2009-2015 debt crisis, they have remained ambivalent about the implications of international corporate penetration in their immediate surroundings. They appear in master plans as port logistics hinterlands and as beneficiaries of new jobs and community regeneration. At the same time, the communities fear diminished influence in labor politics and the specter of having to shoulder disproportionate social-environmental costs.

COSCO's expansion brings both opportunities and challenges to the communities. While port development generates employment (by 2019, 1,500 jobs were created in the COSCO-managed part of the Port), 90% of the jobs are part-time and lack a collective bargaining agreement. Planned Port automation will likely make many traditional port services occupations redundant. New multi-year construction plans result in 24-hour operations that change the neighborhoods' character, increasing traffic in an already inefficient town plan, and producing noise and atmospheric pollution. Property values increased 45% over four years, potentially benefiting homeowners but creating affordability challenges for renters. Last, construction and the increasing privatization of the Port have reduced the public's access to the waterfront.

A €2 million Community Benefits Agreement represents an initial step toward addressing these impacts, though independent assessments suggest actual costs exceed this figure by several magnitudes. This gap highlights both obstacles to and opportunities for meaningful dialogue among COSCO, municipalities, and civil society about compensation and sustainable community investment mechanisms.

Heritage at Risk

"FEK 32/Δ'/25.01.2023 operationalizes port expansion under a compliance-oriented heritage framework. Article 10.A.1 states that for "any energy, intervention or change of use within declared archaeological areas...prior approval of the Minister of Culture and Sports is required." This is a substantive gate, not merely procedural posturing. It can

block development entirely, not just pause it during construction. However, these mechanisms operate reactively during construction rather than structuring the Master Plan's spatial design.

The Decree explicitly references Law 3028/2002 "On the Protection of Antiquities and Cultural Heritage in General" (Greece's comprehensive cultural heritage protection framework) in its preamble (item 1). It mandates compliance with it in Article 10.B.1. However, the divergence is not from the law itself but from its optimal application. The Master Plan operates within the procedural minimums of 3028/2002 rather than its aspirational maximums. Accordingly, it does not commit its proactive spatial protection instruments (designated zones, development restrictions, integrated conservation planning) to sustained, granular-scale protection, as has been the norm in the regulation of archaeological sites.

The Decree mandates sustainability certifications (LEED, DGNB) in Articles 9.A.1 and 9.A.3). It requires that "design must align with bioclimatic architectural principles and material selection compatible with halogen and archaeological environments." However, heritage compatibility requirements remain general principles, leaving enforcement mechanisms unclear.

The Decree's heritage framework recognizes only ancient/classical archaeology. The Port's modern industrial evolution—despite Piraeus being one of the Mediterranean's most historically significant industrial harbors—falls outside the legal definition of protected heritage. Advocacy for industrial and vernacular heritage may have occurred during the mandated Strategic Environmental Assessment phase (required under Law 4014/2011) and the public comment period. However, protections for this heritage are absent from the final text.

Overall, the word and spirit of the Decree represent not an abandonment of legal heritage protections, but their subordination: Protection of archaeological remains functions as a construction-phase checkpoint rather than a determinant of development soundness, feasibility, or design. The result is a legally coherent instrument that treats cultural heritage as a constraint to be managed during implementation, not a value to be integrated into strategic planning. It marks a concerning pivot in the relationship between the administrative State's economic and cultural preservation mandates.

The Three-Dimensional Stakeholder Model [insert Figure 3]

The model analyzes stakeholder behavior along three axes: Planning Speed, Relative Power, and Structural Dependency.

Planning Speed captures stakeholder preferences ranging from rapid (fast-track) implementation to a deliberative "slow" process. COSCO and aligned State actors opt for realizing short- and medium-term investment returns. They are "Accelerators." EU regulators and community groups advocate procedural slowness to ensure compliance and inclusion. They are "Deliberators." Actors, such as municipal governments and

local businesses, shift positions based on specific issues. They are conditional "Oscillators." Labor unions' postures can oscillate between assent and opposition to corporate penetration depending on partisan and Government support or pressure. Other "Opposed" and "Excluded" actors, such as local precarious groups, mark the tail end of the planning speed spectrum.

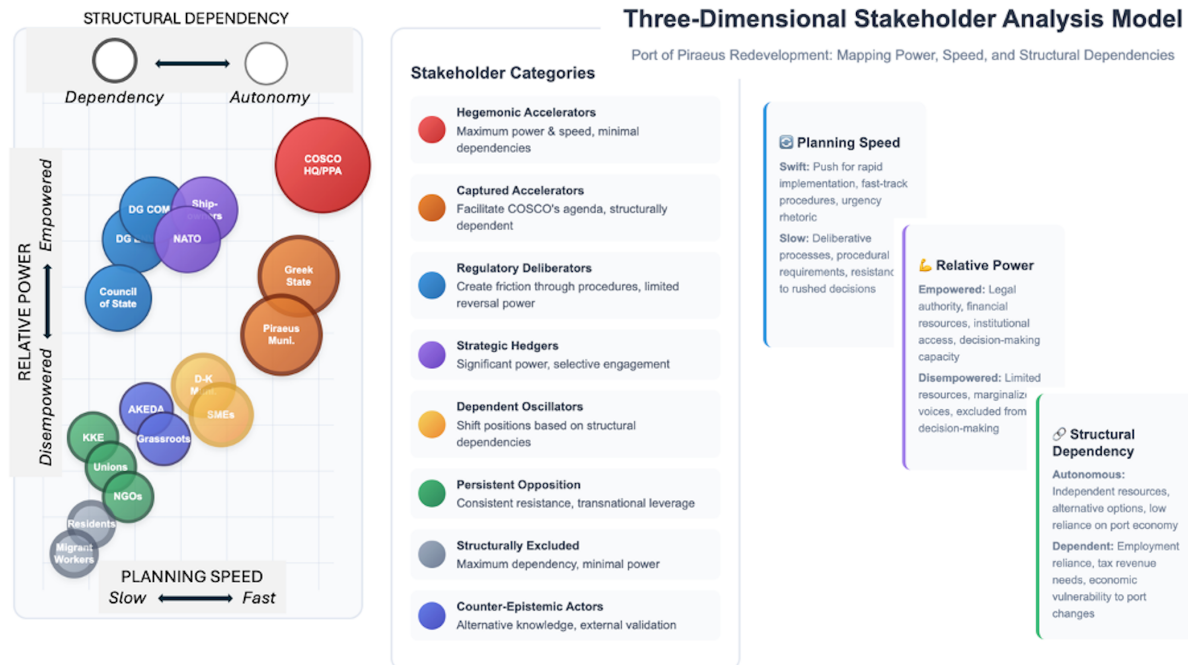


FIGURE 3

Relative Power maps resource control and institutional authority. COSCO holds quasi-hegemonic power through legal ownership, financial capacity, and state backing. The Greek State is sovereign yet constrained by a self-imposed economic strategy and by dependence on FDI. Greek shipowners act as "strategic hedgers," using regulatory tools selectively. Municipalities hold moderate power but face fiscal limitations. Opposition actors include the Communist Party (KKE), port-worker unions, and radical collectives. "Excluded populations," such as migrant or precarious residents, lack meaningful participation despite bearing maximum impacts.

Structural Dependency exposes how economic reliance shapes behavior. Municipalities caught between need and opposition oscillate. Labor resistance fragments under economic pressure. Local businesses may show only lukewarm support. At one pole, COSCO exhibits maximum power, maximum preference for speed, and minimal dependency on local actors. At the opposite pole, residents and migrant workers combine minimal power with maximal dependency, which explains their exclusion from negotiations and their disproportionate exposure to costs.

COSCO occupies the unique position of maximum power, maximum speed preference, and minimum dependency. It needs little from local actors while they increasingly rely on port operations and employment. This asymmetry fundamentally shapes negotiation dynamics. Conversely, at the opposite pole of the three-dimensional framework, residents and migrant workers combine minimum power with maximum dependency,

explaining their structural exclusion from negotiations despite bearing the highest costs.

Conclusions

The three-dimensional stakeholder map model reveals the complex and asymmetric dynamics and impacts of modern infrastructure development. COSCO's progression from operator to majority owner to co-deciding planning authority in 2023 resulted from staggered negotiations among corporate, State, and transnational actors. It precipitated EU-level and local-scale contestations (regulatory, legal, and political) that failed to arrest or substantially shape the agreement. These processes produced significant institutional evolution without fully defined guardrails against negative externalities.

Structural conditions in the Greek economy and differing capacities for action by stakeholders shape the scenarios for the Port's redevelopment. Simple binaries (support versus opposition) cannot fully account for shifting alliances, economic pressures, or variations in stakeholder power. Actors/stakeholders change their attitudes over time. Corporate and State structures pursue objectives that maximize economic and political returns. Between the acquisition of equity in 2016 and the signing of FEK 32/D in 2023, Greece's economic position improved markedly. Yet, it did not leverage its enhanced bargaining power to place stronger conditions on COSCO. Elite brokerage within the shipping industry may explain part of this self-imposed constraint.

At the opposite end of the power spectrum, communities are dependent on the very developments that transform their neighborhoods. Municipalities like Keratsini-Drapetsona and Perama, seeking revenue despite mounting environmental costs, are poorly served by traditional conflict-resolution approaches. Labor is forced to decouple from unions to secure employment in the new development zones. Coming AI-driven automation would only further fray its power, structural dependency, and negotiation capacity.

The Piraeus case shows that, nominally, infrastructure development involves the privatization and transfer of state assets to the benefit of the contracting parties. In fact, it involves reconfiguring sovereignty by surrendering part of it to a strategic partner serving State interest, evolving institutions, and negotiation capacity. Understanding stakeholder power, planning-speed preferences, and structural dependencies is essential to developing more sophisticated, equitable, and effective negotiation frameworks for future port-city transformations.

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