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# The Recent Decentralisation in Greece and The Impact on The Islands' Development Perspectives

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Greece is well known from the numerous islands and islets surrounding the country, extending its exclusive economic zone far beyond its land area. 112 of those islands are inhabited today, while another 107 - once inhabited - still keep the administrative status of a settlement. 78 of them are the seat of at least one autonomous local authority (community or demos). Roughly 13% of the population of Greece lives on those islands (1.489.230 people - census 1991), occupying 19% of its territory (24.739,4km<sup>2</sup>). Excluding Evia - which is not considered as an island according to EUROSTAT, since it is linked to mainland Greece by a bridge - and Crete, which both have a large surface area and population size, we are referring to a large number of small and medium-sized islands. These islands comprise about 50% of the total land surface of the islands and respective populations (Spilanis, 1999). Islands of different types and administrative situation can be found in the Greek archipelagos. In the South Aegean, Crete, - which is ranked among

the big Mediterranean islands along with Sardinia, Sicily, Corsica and Cyprus - is a section of the southern external borders of the EU with Africa. Crete is also one of the thirteen Greek regions (peripheria), composed of four departments (nomos). In the Western Aegean, relatively close to the coast, there are several islands under the administration of different departments of the mainland - mainly Attiki, Magnissia and Evia, named "coastal islands". The rest of the Aegean Sea, lying between Greece and Turkey, with an area of approximately 480.000km<sup>2</sup>, is scattered with 58 small and medium-sized inhabitant islands and a multitude of non-inhabitant ones. They are grouped into 5 departments and 2 Regions, which are exclusively insular: Cyclades and Dodecanese composing the Region of South Aegean, and the departments of Lesvos, Samos and Chios composing the Region of North Aegean. These departments, with the exception of Cyclades are a section of the eastern external borders of the European Union.

Finally, in the Ionian Sea, more or less closed to the coast of western Greece, there are 15 islands of different size, grouped in 4 departments within the Ionian Islands' Region. Among all the Greek islands, the majority (73 islands) have less than two thousand inhabitants, 24 between two and ten thousand, 9 between ten and fifty thousand and 6 with more of fifty thousand: Crete, Corfou, Lesvos, Rhodes and Evia. 54 of them are smaller than 25 km<sup>2</sup>, 31 are between 25 and 100 km<sup>2</sup> and only Crete is bigger than 5.000 km<sup>2</sup>. How these islands are administrated? Besides the fact that the different islands are depending from regional authorities of different administrative level, they are managed in the same way as all the other equivalent administrative entities in Greece. The Greek political system has

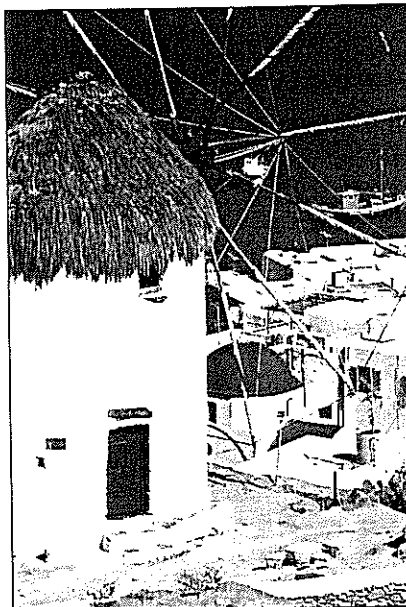
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been marked by the concentration of power at the level of the central administration and the government, without regional differentiation. During 1833, the newly independent Greek state adopted the French system of centralised state with power vested in the centre and the control exercised over the periphery by a "prefectoral" system. The local authorities, whose origins come from the administrative system that existed during the Ottoman Empire, used to have until recently very restricted economic and political power.

This situation can be explained primarily by the fact that when the new Greek state became independent in 1832, its surface area consisted of only 36% of the present territory. The remainder was added after regional or world wars and revolts against different occupants. The most recent annexation took place in 1947 and concerned Dodecanese, that was still remaining under Italian governance.

Secondly, the fact that Greece has not frontiers with any western european democratic state, but was surrounded by real or potential enemies -as the ex-communist countries and Turkey- used to be an important argument for the preservation of this very centralised administrative system. The ruling elite -a small number of families of notables-, interested in maintaining their control all over the different levels of administration and the implementation of policies, was tended to view any demand for more local autonomy as a threat to the integrity of the nation.

The stabilisation of the internal democracy after the fall of the military government (1974), create a favourable context for more distribution of power and consequently for more decentralisation. So a progressive change began during the 80's who has modified substantially the administrative map of Greece. Even though, almost no differentiation was accepted in the structure and the competence between insular and mainland regional administration as already existed in all the other european countries,



especially the Mediterranean ones (Monteiro Da Silva (ed), 1993 and EURISLES' Network website).

In the following paragraphs, firstly, we will try to describe the most important modifications and the actual structure of the three levels of regional administration and, secondly to evaluate how these modifications have or can influence the development strategies of the islands.

### **THE STRUCTURE OF THE REGIONAL ADMINISTRATION WITHIN THE GREEK ISLANDS: THE NEW COMPETENCE<sup>1</sup>**

The structure and the philosophy of the regional administration of the country are specified in the articles 101, 102 and 118 of the constitution of Greece of 1974, as amended in 1985. Although the constitution specifies in article 101 that "the administration of the state operates under the decentralised system", however both the analysis of the legal frame work in force and the daily reality can hardly confirm the wording of the constitution.

Three are the levels of the regional administration in Greece: the Region, the Department and the Municipality.

<sup>1</sup> This paragraph is principally based on the study of the Committee of the Regions, 1998, Regional and local democracy in the EU.

The first level is a decentralised tier of the state administration and the two others are part of local governance.

The **Region** as level of administrative division has very short tradition in the country, granted the fact that it was established as recently as 1986 and come into effect in 1987 with the division of the country into 13 regions. Structures similar to the Region (as General Administration, Regional Administration) were introduced in the past, lasted only for very short periods of time (1912-15, 1935-36, 1941, 1970-73) (Velonias, 1988). The creation of the region as a political authority and an administration body became almost necessary for the implementation of the regional programs funded by the EU's Structural Funds (precisely the Mediterranean Integrated Programs). Their regulations had initiated the concepts of subsidiarity and partnership among the different levels of european and national administration.

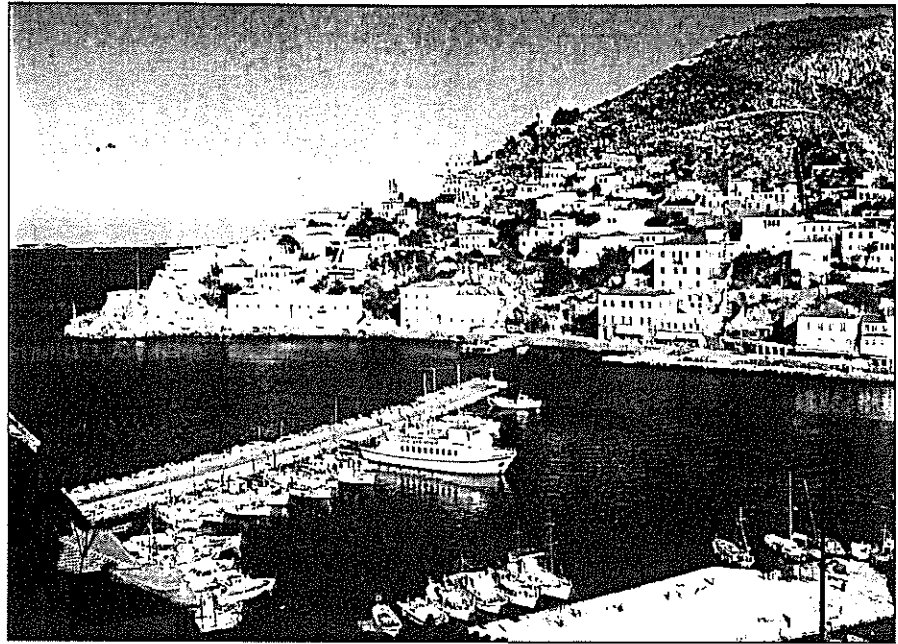
The General Secretary of the Region, who is appointed and removed from office by the Government, heads each region. He (or she) is the representative of the Government within the region, presides over all civil, police and port services at the department level as well as of the inter-departmental (named now regional) services.

The planning and the co-ordination of regional development, but also the control of the implementation of the regional and sectorial operational programmes financed by the Structural Funds, were assigned, by the law 1622/86, as the most important domains of responsibility for the Region. The Directorate of Regional Development (Regional Service of the Ministry of National Economy) has the administrative duty of these responsibilities. The Regional Council, that is responsible for the regional planning and development, is composed of the General Secretary as chairman, of representatives of first- and second- level local authorities and of representatives of business and professional bodies.

By the law 2218/94, who established the elected authorities at the department level, the regions become areas of state administration and by the law 2508/97 the region become an administrative entity with its own organisation, its own budget (the regional development fund) and its own staff. Gradually, the transfer of competence concerning the regional affairs from the Ministries, have to complete the decentralisation of power and the amelioration of the effectiveness of the whole administrative system.

The Department (or Prefecture) has been, since the establishment of the Modern Greek State until today, the institution that provided the stable intermediate level of administration between the central state and the local authorities. Till 1994, the department was a decentralised body of the central administration headed by a governor (nomarchis or prefect), agent of the government with the responsibility for co-ordination of the activities of the central departments in his territory. From the '50s, some administrative decentralisation turned the prefectures into a level of planning and implementation when each prefecture was allocated a separate public works budget (Vernay and Papageorgiou, 1992). During the '80s the Consultative Prefecture Councils have been established with decision-making power in the planning process and the transfer of funds for public works (infrastructures) increased in a substantial way.

By the law 1622/86, the Districts (Eparhio) were established as administrative entities depending from the prefectures for the islands regions with two or more islands. These very tiny entities -miniature of a Department- were created firstly in order to provide the basic administrative services to islanders without being obliged to move away from home and secondly to run local affairs, as development planning. 14 Districts have been created in the bigger islands as Lemnos, Naxos, Ikaria, Kos, Santorini, Thassos, Kythira etc,



when there was not the seat of the Prefecture. The creation of the Districts was the only measure which differentiated the islands' administrative system from the mainland's, justified by the difficulty of transportation between islands and the additional cost occurred to the citizens!!!

After the application of the law 2218/94 at the 1st of January 1995, the elected Prefects and Prefectoral Councils run almost all the competence of the "old" Prefectures, except those concerning finance affairs (p.ex. perception of taxes). In an equivalent way, the prefectoral administration depending till 1994 on the central Ministries, became the autonomous executive body of the new local government. The preparation and the implementation of the development plan remain the most important competence of the "new" entity, as no financial and legislative power has been transferred. The budget of the Department is totally financed by national and European resources, through an algorithm based mainly on the population and the GDP per person.

The **Municipalities** (Demos and Koinotita) have always been self-administrated authorities in the local level. "Demos" are supposed to be the urban entities with more than 5.000 people and "Koinotites" the rural ones. In practice, this rule is not entirely respected and the half of

"demos" has actually less than 5.000 inhabitants. This was the result of the migration movement that happened during the 20<sup>th</sup> century from the rural areas towards towns - specially Athens' and Thessaloniki's agglomerations - and abroad. Even if this movement is now slowed down, the size of the majority of the local authorities is very small. According to 1991 census from 5.775 municipalities (688 on the islands except Crete), 79% has less than 1000 inhabitants and other 17% between 1000 and 5000 people (Ministry of Interior, Public Sector and Decentralisation, 1997). As the municipalities were extremely fragmented, their human, technical and financial resources were limited. So, no substantial action was possible to be undertaken in order to fulfil their obligations towards their citizens for economic and social development.

The reforms undertaken during the '80s went towards two main directions. Firstly, the transfer of resources and the enlargement of competence, concern especially the possibility:

- a. to create municipal enterprises as an attempt to develop more flexible ways of providing services, by their own or jointly with private entrepreneurs, cooperatives etc.,
- b. to create development agencies, mainly in collaboration with other bod-



ies in the level of the department, in order to undertake development initiatives,

**c.** to draw up planning contracts with the public sector bodies in order to coordinate the provision of a service or to implement different aspects of a development programme.

Secondly, the facilitation of the collaboration between the local authorities, in order to reinforce their capability for intervention, by:

- a.** encouraging the voluntary amalgamation between municipalities,
- b.** encouraging the voluntary collaboration between them in associations, in order to obtain grants from the public investment programme.

All these measures, even if they were very important, didn't had as significant impact as hoped, because:

- the central government did not fulfil all the engagements towards the applicants. So, some of them have been disappointed and a lot of others have been dissuaded,
- the local "elites" were more or less opposed to the "fusion" of their community, for fear that they would lose their identity,

- there is not enough human resources able to exploit all the possibilities offered by the new legislation,
- the measures did not last for long time, as ten years later, in 1994, the collaboration became obligatory between municipalities in national level.

Nevertheless, the ten years of experience with voluntary co-operation between communities was extremely valuable because it made people aware, especially in rural areas, that the problem of strengthening the municipalities had to be faced in some way. In 1997, the government decided to accelerate the movement towards bigger and more powerful local authorities and to change completely the map of the local administration by merging them into only 900 municipalities and 133 communities. It was considered necessary to create units big enough, able to face the new opportunities and threats within the EU for the 21st century. On the islands, 135 municipalities were formed and 20 communities were maintained, especially in the small islands. Now, only the a few medium and all the big islands have more than one municipality on their territory.

In order to facilitate the new municipalities to face the new reality, the government provides for them, during the whole face of implementation of the program<sup>2</sup> (1999-2006), with:

- technical equipment,
- financial resources for investments in basic infrastructures of local interest,
- scientific staff specifically trained in order to be able to undertake development initiatives and to manage the new "enlarged" municipalities.

To day, after only one year from the beginning of the implementation of this historical reform, the first outputs are already obvious, even if, a lot of problems remain. These problems have to be solved in order to maximise the overall impact for the revitalisation and the development specially of the rural areas.

Finally, the establishment of the **Ministry of the Aegean** in 1985, has to be added to this brief description, even if it can not be considered as part of the regional administration, but of the central one. It is not the only "territorial" ministry existing in Greece, as another one, the Ministry of Makedonia and Thrace, has been created almost 35 years before for the same purposes. Its role is to analyse the specific problems of the Aegean islands and to propose specific and adequate policies.

Even if the Ministry of the Aegean had to face:

- a.** the hostility of the "classic" sectorial Ministries to accept the transfer of competence and/or to adopt specific measures for the islands (p.ex. for the taxation, or the agriculture) and
- b.** the lack of sufficient public funds in order to implement the specific policies that are necessary to overcome the islands' disadvantages, its action can be globally evaluated rather as positive. The Ministry of Aegean has contributed to the recognition of the "insularity" as a particularity -and not as a handicap- that can be overcome with a specific and coherence policy. This idea was sup-

<sup>2</sup> The program is named "Ioannis Kapodistrias" who was the 1<sup>st</sup> Governor of the modern greek state in 1828.

ported from the Greek and other Governments during the Inter-Governmental Conference of 1996. The result of this initiative was the adoption of an explicit reference of the island problem in relation with the economic and social coherence in the Amsterdam Treaty (article 158) (Spilanis 1996).

In the national level, the Ministry has contributed to the inclusion in the new Regional Development Program (2000-2006) financed by the EU, of the priority axe "Island's space". The Ministry has recently launched the programs "Asterias" and "Hippocrates" in order to reorganise the administrative and the health services on islands using telematics and other modern organisational schemes involving directly the municipalities.

### THE NEW COMPETENCE, A TOOL FOR DEVELOPMENT?

The decentralisation of competence from the central government and administration towards the different levels of regional authorities is of course a positive evolution, as more democracy is introduced within the decision process system of local affairs. The local societies can now express more easily their wishes and their expectations for the future of their own and their region through the different levels of regional authorities. They can participate on the decision concerning the economic development, the environmental policy, the social intervention etc.

Is it enough and is it a more efficient system capable to drive the islands towards more development? Can the islands decide now on the development strategy they would like to follow? A clear response is extremely difficult, as, everyone knows, that now-days the globalisation of the economic system impose severe limits to the degree of freedom of any regional entity. But, given these limits, and in comparison with what used to happened a few years before, now the degrees of freedom are

definitely more important in the Greek regions. This is true especially within the EU structural policy, where the application of the subsidiarity's principle not only permits but also calls for active local participation. The lack of strong enough regional authorities has, until the recent years, marginalised the Greek islands to the role of the spectator of the evolutions.

One of the domains where this situation was particularly obvious, used to be the interregional co-operation on the european level. Difficulties has existed for an active participation in the different interregional political organisations as the Committee of the Regions, the Assembly of European Region, the Conference of Peripheral Maritime Regions (CPMR) and the Conference of the Regional and Local Authorities of the Council of Europe. The treated subjects in these forums were for the Greek case usually of the competence of the national government and where was needed a high level of preparation and expertise of the regional administration, that in a Greek region simply did not existed. Difficulties of the same nature were faced for the participation in interregional projects, were the domain for action proposed by the different participants are in relation with their competence for intervention and the expertise that could found either in the administration or in the collaborating institutions (i.e. University, Technologi-

cal Park, Chamber of Commerce and Industry, Innovation Centre, Chamber of Agriculture, etc).

An other main problem was the difficulty to find the necessary resources in order to finance the participation in meetings, the preparation of proposals and the implementation of projects, as the region had not a budget and the other local authorities used to have money only for running costs. So, many very good ideas have never been transformed into operational programs.

In spite of all these obstacles and handicaps the regional authorities managed to acquire useful experiences that will certainly be exploited in the future by the "new" more powerful authorities.

In the national level, the participation of the local authorities in the decision system during last decade has permitted them to influence the regional policy for transport infrastructure, for the protection of the environment, for tourism and agricultural development, for culture, for education, for research and innovation etc. Naturally, this intervention was not always very successful, as the lack of experience and competent staff in the matter, are still significant. Therefore it was extremely difficult for them to elaborate a strategic development plan with coherent goals and objectives, that could be translated into operational programs. The presence of the University of the







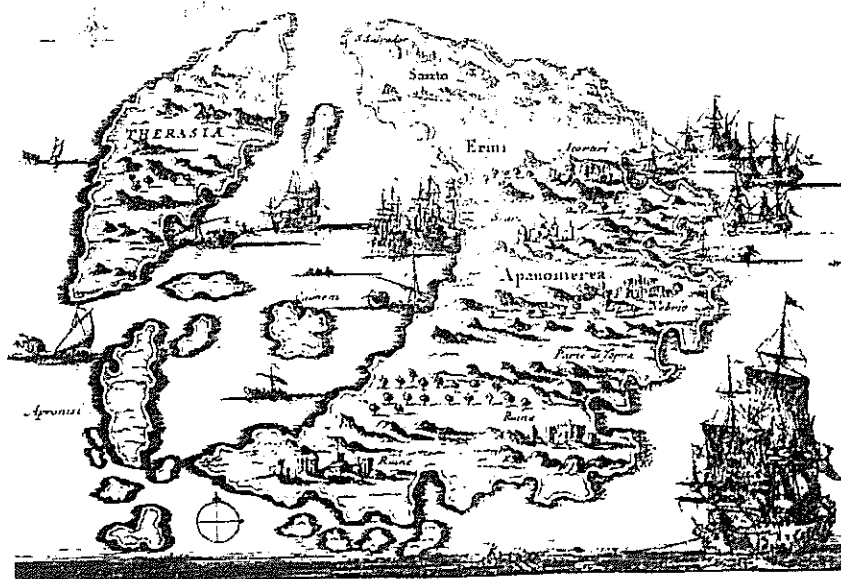
Aegean could cover this lack, but the collaboration with the local authorities was accidentally.

It has to be stressed that even if the perspectives are better than previously after the administrative reform, it does not mean that the reform was sufficient. A lot of local affairs are still run by the central administration that is not ready to share its power.

The maintain of the same administrative structure and competence for mainland and islands, is an other point that have to be discussed shortly. The reinforcement of the elected bodies and especially with some legislative and fi-

nancial power and the transformation of each island into a place where the citizen can resolve a important part from his transaction with the administration. A special care has to be given to differentiate the sectorial policies in order to incorporate the islands' particularities.

Finally, there are two main obstacles that keep away from achieving the goal for a sustainable development process on the islands: the lack of suitable human resources able to undertake all the necessary initiatives to make the islands attractive places for the installation of new (modern) activities and new people ready to cope with the char-



acteristics of insularity and mainly the lack of an «insular development theory» capable to transform them from handicaps to comparative advantages that can be exploited taking in account all the technological changes that transform the activities and their location (Spilanis 1999). These obstacles could be overcome only if the collaboration among the islands is strengthened with the use of interregional organisations and institutions.

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